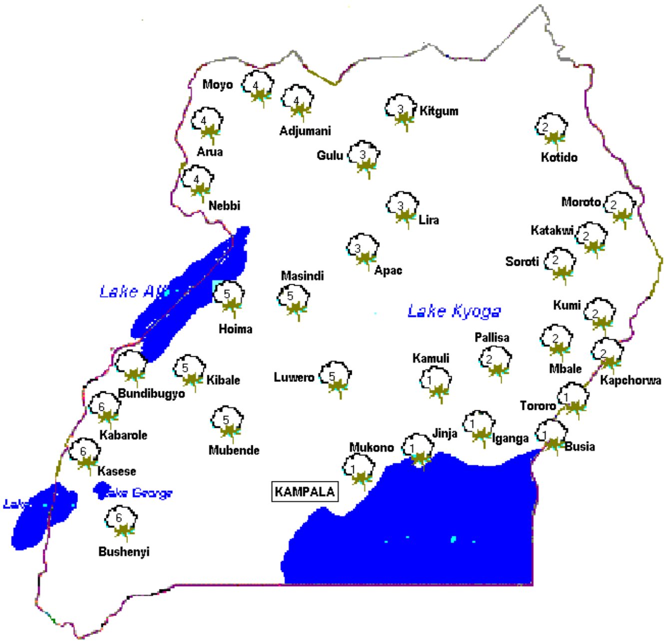
Mission Statement

« To provide our Customers *with* integrated risk management solutions through superior credit support, inspection, quality assurance, delivered world-wide by a team of professionals applying the best technology. »



End of Season Report, 2011/12

SUBMITTED TO UGANDA GINNERS & COTTON EXPORTERS ASSOCIATION LTD (UGCEAL)

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List of Abbreviations

ACE	ACE Global (U) Ltd
ASD	Automatic Sampling Device
BPA	Bukalasa Pedigree Albar
CDO	Cotton Development Organization
GOT	Ginning outturn Test
JITCO	Jinda International Textiles Corporation Ltd
NARO	National Agricultural Research Organization
SATU	Serere Albar Type Uganda
UGCEAL	Uganda Ginners & Cotton Exporters Association Ltd
UNACOFF	Uganda National Cotton Farmers Federation
USAID	United States Agency for International Development

1. Executive Summary

This report is a detailed account of the activities undertaken by ACE Global (Uganda) Ltd during the 2011/12 cotton season. The report gives the scope of ACE intervention in all cotton related activities from pre-season through to production and marketing. The report is also a fulfillment of ACE contractual obligations with Uganda Ginners & Cotton Exporters Association Ltd (UGCEAL).

ACE has increasingly provided a range of comprehensive monitoring services in the cotton sub sector. These services have added value to the overall national cotton production and development funds recovery program. For the season 2011/12, ACE mainly provided monitoring services relating to quality, ginnery production statistics and levy payment monitoring.

The season 2011/12 commenced with the dressing and distribution of seed around the month of April 2011. Marketing followed around early November mainly with early planters. By the start of December, marketing activities were in full operation climaxing in January/February 2012. However, by close of April, most ginners had completed ginning activities, though dispatch of lint bales continued up to the end of June.

The first section of this report gives an account of cotton production in Uganda since introduction in 1903. It includes the cotton farming, ginning and lint trade, liberalization of the cotton industry and formation of CDO as a statutory and regulatory body and evolvement of private partnerships in the development of cotton industry. Also covered in the initial part is a highlight of the Cotton sector pre and post liberalization periods plus a brief outlook into the future prospects of the cotton industry.

The second section gives a brief background of the season, closely following the terms of reference for the contract which include inter aria ginnery compliance monitoring, quality and production statistics monitoring, levy payment verification and finally monitoring of the planting seed distribution. The section has extensively used tables, graphs and charts as tools for further illustration.

The third section looks at the problems encountered while executing the seasonal activities as well as achievements recorded. To a big extent this section is based on the information and viewpoints originating from the ACE field based staff. The last section is mainly composed of annexes in form of tables about different aspects of the season in particular and the industry in general.

2. Introduction – ACE Global

ACE Global is one of the world's major Collateral Control institutions, and the leader in providing credit support, field audits, inspection, supervision and monitoring services in emerging markets. Through its world class systems and staff, ACE is able to identify and secure the weak links in the value chain or design a whole and entirely secured value chain for the account of its partners. ACE's holding company is based in the United Kingdom and the group's operating headquarters are in Geneva Switzerland.

ACE GLOBAL (Uganda) Ltd is a member of the ACE – Group of companies with inter-locking management and the same corporate goals, objectives and mission. ACE Global (Uganda) Ltd was legally registered in Uganda in 1996. Our country head offices are located at Plot 31 Clement Hill Road, Kampala.

ACE GLOBAL Uganda Limited's objective is to enhance commodity production and trade in Uganda. Its goal is enhancement of participation of Uganda in the global market, and commercialization of smallholder agriculture with a particular focus on producers of export/tradable commodities.

Towards its goal and objective, ACE provides services covering provision of institutional and operational policy support to develop efficient and sustainable service systems; promoting commodity trade through mitigating transactional risks inherent in local, regional and international trade; provision of consultancies and training in warehouse receipt system of financing; commodity inspection, quality assurance and certification; warehouse management; commodity audit and stock control; provision of credit support services to facilitate trade finance and agricultural development; installation and monitoring of credit and levy collection systems; and carrying out management improvement services.

ACE mission is to provide our clients with a wide array of high quality inspection, quality assurance, and related credit support services merged into an integrated risk management solution through a team of highly trained, diverse and experienced professionals using the latest technology for the benefit of all stakeholders.

ACE's commitment is further enhanced by modern and secure management information systems that are able to make electronic links with its offices all over the world as well as with its clients. ACE operates a web site (www.ace-group.net) on the Internet to compliment this outreach.

ACE Group staff comprises of an integrated team of qualified professionals including engineers, lawyers, economists, bankers, agronomists, IT managers, quality controllers and other specialists to ensure that the necessary experience, integrity and expertise are available to our clients at any time and place.

ACE has for a long time been involved in commodity management and compliance monitoring in various countries. Our approach to work and the reporting systems backed by high professionalism and integrity guarantees greater benefits to our clients.

In Uganda, ACE, over the period 1997 – to date has assisted the Government to turn around its cotton sector. ACE has provided ginnery monitoring and cotton quality control support services to facilitate the efficient functioning and linkage services from production and processing to local marketing and export. The trust reposed in ACE control and monitoring services has facilitated cotton sector financing and insurance from major external financiers and insurers as well as local banks. The results are the improvements in cotton sector, with increase in production over the years of ACE support. ACE services have also been employed to monitor collection of levies and cess from exports of agricultural commodities as well as establishing and supervising input supply and distribution; coupled with field extension work to cotton farmers.

3 Background to the Cotton Industry in Uganda

3.1. Preamble

Cotton is one of Uganda's major export cash crops. Small-scale peasant farmers started growing cotton in Uganda as a cash crop from 1903. Until the 1950's when it was overtaken by coffee, cotton had remained Uganda's leading agricultural foreign exchange earner.

The peak of cotton production in Uganda was 1969/70 season at 466,382 bales (185 kg of lint). The production however gradually declined to 11,667 bales in 1988 mainly due to political instability that culminated into the collapse of research leading to varietal mixing, scarcity of inputs and the prohibitive marketing processes that led to low acreages and productivity.

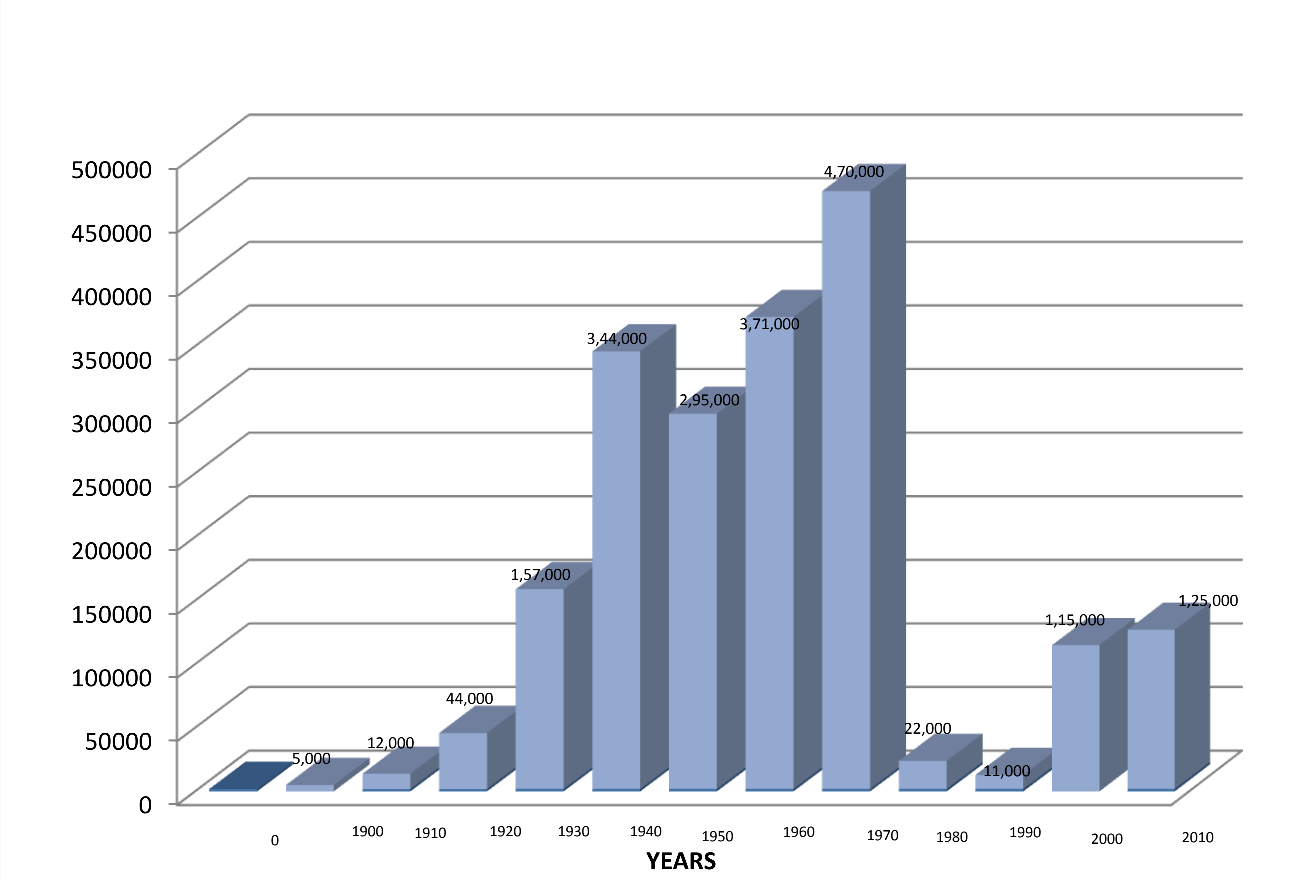
Uganda returned to political stability in 1986 subsequent to which the re-structuring of the cotton sector on processing and marketing culminated into liberalization and privatization of the cotton industry and creation of Cotton Development Organization (CDO) as the regulatory body through an act of parliament in 1994.

Political stability and liberalisation of cotton sub sector resulted in the upward swing for cotton production save for drastic fluctuations that continued to appear on the scene mainly due to adverse weather conditions characteristic of El Nino phenomena (excess rain at the time of harvesting) and La Nina (drought conditions during the planting and growth period) as was the cases during the 1997/98 and 1998/99 seasons respectively.

Similarly, numerous reasons have been responsible for the slump in production from 250,000 bales (produced in 2004/05 season and the highest ever since the liberalisation) to 70,000 lint bales in the 2009/10 season. These include massive shift to organic cotton production in some regions, limited extension work and adverse weather conditions. However these factors seem to have been substantially addressed as evidenced by the production of 254,036 bales this season, the highest record reached since 1969.

The figure overleaf shows lint production since 1903 (In a 10-year Class Interval)

Figure 1: Cotton Production in Bales (185kg) from 1903-2010



Source: CDO (10-Year spacing)

Approx 58 districts of Uganda were engaged in cotton production this season (see table below).

Table 1: Cotton Producing Regions

Cotton Production Zone	Cotton Producing Districts
Busoga	Bugiri, Buyende, Iganga, Kaliro, Kamuli, Luuka, Namutumba, Mayuge, Kayunga
South Eastern	Busia, Butaleja, Tororo.
Mid Eastern	Budaka, Kibuku, Manafwa, Mbale, Pallisa, Sironko.
North Eastern	Amuria, Bukedea, Kaberamaido, Katakwi, Kumi, Ngora, Serere, Soroti.
Northern	Agago, Alebtong, Amuru Amolatar, Apac, Dokolo, Gulu, Kole, Kitgum, Lamwo, Lira, Oyam, Nwoya, Pader, Kabong
West Nile	Moyo, Arua, Nebbi, Adjumani, Yumbe, Zombo
Central and Mid Western	Buliisa, Hoima, Kibaale, Kiboga, Kiryandongo, Kyenjonjo, Masindi, Nakasongola

Western (Kazinga Channel).	Kamwenge, Kasese, Rubirizi.

3.2. Cotton varieties, farming and the production potential

Cotton varieties grown in Uganda are derived from American Upland type (*gossypium hirsutum)*. Originally there were two varieties BPA (Bukarasa Pedigree Albar) and SATU (Serere Alba Type Uganda). However with the privatisation of the sub sector in 1994, the private operators presented new demands on varietal development with high ginning outturn (GOT) while exporters, spinners and weavers required better quality fibres. Similarly farmers also demanded for prolific fruiting and large bolls seed cotton. At first research efforts were frustrated by varietal/seed cotton mixing as exporters competed for seed cotton and uncontrolled imports of cotton seed from the neighbouring countries which led to the surgence of various pests and diseases like bacterial bright.

Breeding efforts led to dropping of SATU in 1997 and BPA was left as the only cotton type for production. Further collaboration efforts between CDO and NARO led to the development of BPA 2002, a variety that is now almost grown in all the districts of the country. Further efforts are being made at breeding BPA 2008.

Field research has revealed that cotton variety BPA 2002 has had the GOT raised from 33% up to 36% in areas of high fertility. At the farmer level, with the observation of modern farming practices, production in a few cases has increased to the range of 1500-2000kg of seed cotton (per acre) as compared to 300-500 kg of 1994 and shortly before.

Researchers are now faced with the challenges of developing varieties that are much resistant to drought without affecting the fibre and the modalities of increasing production amidst fluctuating market prices. New CDO and NARO policies and approaches are expected to offer further development of varieties and mechanism targeting a profitable cotton industry especially by increasing the acreage and containing the existing faithful small scale producers.

3.3. Uganda's ginning potential, Lint trade and the Textile Industry.

With the low production levels currently existing and the re-opening of formerly abandoned ginneries, Uganda still possesses a big untapped ginning potential basically due to lack of seed cotton. The national ginning capacity currently stands at over 500,000 Lint bales though processing the crop is at about 20%.

The textile industry on the other hand is still underdeveloped. The only operational textiles are Phenix Logistics ltd and Southern Range Nyanza Ltd with low production levels. As a consequence of the low levels of production, the Apparel and clothing industry in Uganda is limited and dominated by small-scale operators like tailoring mainly for domestic consumption.

3.4. Uganda's Competitive Advantage in Cotton and textile Industry

Despite the prevailing shortcomings, Uganda's competitive advantage in cotton/textile industry lies in the following areas:

- Fertile soils and good climatic conditions consisting of an annual rainfall of 75 mm –2000mm and annual temperature range of 15-30^{0}c with a very narrow diurnal range. This enables cotton production in almost all regions of the country.
- Long experience in cotton production since 1903, provides Uganda with a reliable resource base for Development of the textile Industry.
- High quality lint – quality of cotton in Uganda mainly falls in 3 grades during exportation i.e. UCON, UCOB and UCOP and has been improving over time. Besides the above facts, Uganda's lint is said to be one of the best in the world.
- A single variety (BPA), which ensures uniformity of the quality.
- Despite the recent problems, Uganda has for a long time been self sufficient in electricity and has a reliable source of raw material.
- Uganda is strategically located and takes advantage of the market in Rwanda, Democratic Republic of Congo, Northern Tanzania, South Sudan and Western Kenya.
- Even after the renewal of East African Community, Uganda's policy environment of an open market economy is ahead of other economies in the region. This allows private investors to enjoy benefits of their investment and engage in external trade without unnecessary restrictions.

4 The Cotton Sub Sector pre and post Liberalization

The Lint Marketing Board that had evolved from the colonial time was formerly responsible for marketing of the crop abroad while production and processing was undertaken by the cooperative unions. However by 1994 the distortions and inefficiencies in production coupled with the changing trade environment necessitated the policy reforms that saw the establishment of Cotton Development Organization (CDO).

4.1. The Role of CDO in the Cotton Industry

Cotton Development Organisation (CDO) is a statutory body, which was established by an Act of Parliament through enactment of the Cotton Development Statute in 1994.

Statutory functions.

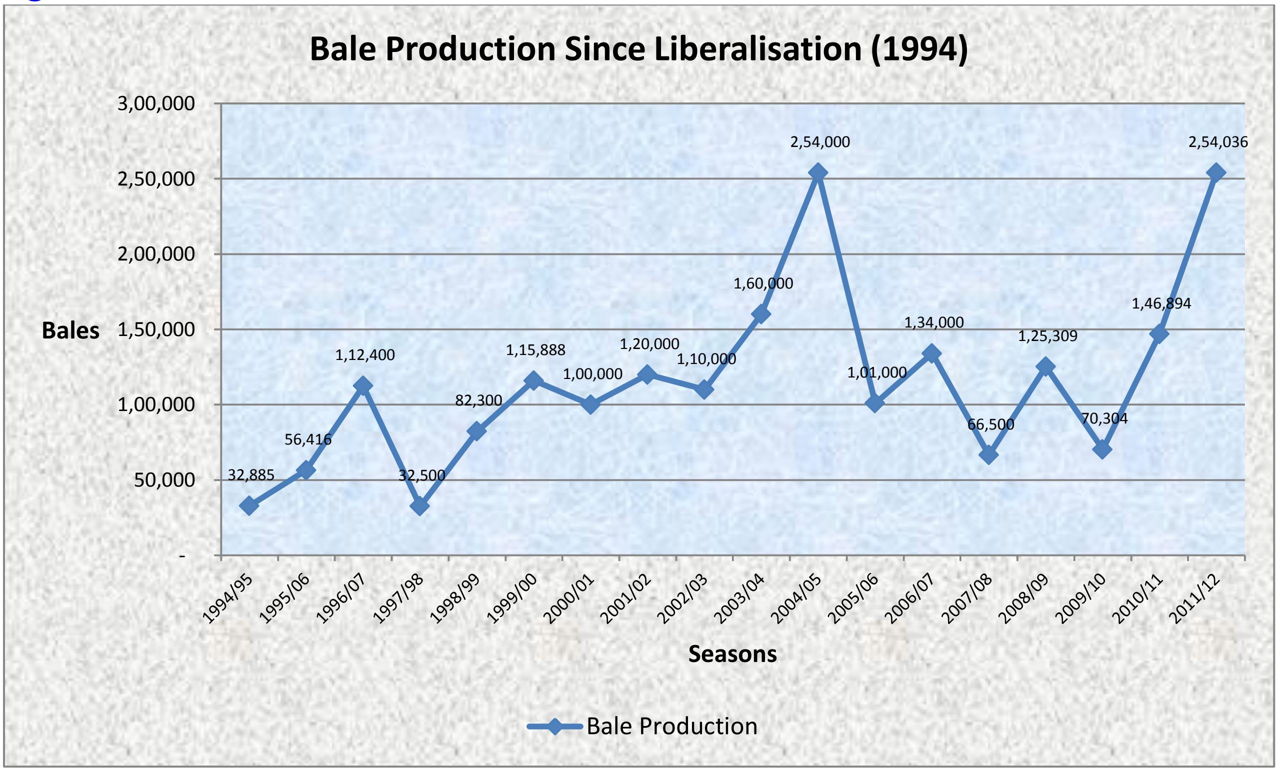
CDO was created to promote and regulate the production and marketing of cotton in Uganda and as an autonomous agency, to represent cotton industry in all aspects. The specific roles and functions are to:

- Set standards for Uganda seed cotton and lint against international standards;
- Monitor, through registration, all persons and/organisations associated with the cotton industry, and inspect ginneries to ensure compliance with registration requirements;
- Facilitate procurement, processing and distribution of planting seed, in collaboration with the Ministry responsible for agriculture, within segregated areas and, where appropriate, supervise the production and distribution of cotton outside segregated areas through selected ginneries;
- Facilitate cotton production research, training and extension;
- Collect, maintain and disseminate statistical information in respect of all aspects of the cotton industry;
- Attract, promote and/or facilitate various industry stakeholders' interests including formation of associations among different groups.
- Monitor and advise the industry on the procurement and distribution of cotton inputs
- To announce indicative farm gate ginnery buying and export prices and to monitor prices actually paid at these levels
- To register all persons, organisations and bodies dealing in seed cotton, cotton seed and lint.
- Advise-government on policies towards the sub-sector

4.2. Achievements of CDO since the Liberalization of cotton Sub-sector

- There was a rebound in production from the lowest levels ever recorded i.e. 11,667 in 1987/88 to 160,000 by 2003/04 and the peak post liberalization record production of 254,036 bales during the season 2011/2012.
- Improved research has since been conducted for production of higher quality variety seeds of BPA 2002 developed by Serere Agriculture and Animal Research Institute (SAARI). These varieties are then released to CDO for multiplication and then distributed to farmers for planting. These varieties have resulted into high ginning outturn rates; increased staple length and high yield potential (cotton yield/per acre).
- Processing of planting seed has also been fully integrated. The cotton sub sector acquired 6 delinting machines through Government Strategic Intervention together with the Cotton ginners Association. The machines are able to grade the seed thereby removing the fuzzy and distributing to farmers only the viable seed hence minimizing wastage. The seed dressing plants are located at Nyakatonzi (Kasese District), Ngetta (Lira district), Kachumbala (Bukedea District) and Masindi (Masindi District).
- There has been increased facilitation of extension service delivery to cotton farmers, monitoring of service delivery and increased training for both farmers and extension workers.
- There has been an increased demand for seed due to prompt cash payment and favourable prices for seed cotton.
- Improvement and maintenance of the quality of Ugandan cotton to premium status especially for international markets and attraction of world class investors to the Ugandan cotton industry.
- Introduction of block farms managed by small individual farmers for example at Busitema University of Agriculture Mechanisation and single investors like at Kigumba NARO farm have been established making it possible to obtain authentic data pertaining to establishment of medium to large scale commercial farms.
- Establishment of demonstration plots for farmer training. The demo plots have helped in increasing the cotton acreage planted, adoption of recommended agronomical practices, accurate measurement of acreage for cotton cultivation, identification of pests and diseases affecting cotton farms and the magnitude of damage hence making it possible for CDO to advise NARO.

Figure 2: National Cotton Production since Liberalization.



Source: CDO & ACE Records

4.3. Challenges faced by the Cotton Industry

The global cotton market has been subject to numerous policy interventions to the detriment of many non-subsidized producers in the developing countries. Therefore in Uganda the cotton sub sector continues to register low production levels despite the efforts from the Government and private sector. The following problems have been identified:

- Small-scale production has persisted in many parts of Uganda due to land fragmentation and low levels of agricultural mechanization.
- Insufficient and inefficient extension services, which limit the transfer of, recommended agronomic and technological practices.
- Lack of organized farmers' groups which makes service delivery difficult.
- High cost of production without accessible and affordable credit facilitation to rural farmers.
- Low fertility in some cotton growing areas like in the eastern region induced by continued use of same land.
- Dependence on rain fed cotton production with no irrigation at all, the effect of which has been felt in different seasons 2007/08 & 2009/10 where only 65,000 bales and 70,000 Bales respectively were produced.
- Low and fluctuating farm gate prices, which result from lack of local market and over dependence on the international market price. This

discourages many farmers thus opening up less acreage and many diverting to other crops.

- Massive shift to organic cotton production without sufficient preparations like the case of 2007/08 where a miserable 66,500 bales was produced.

4.4. Way Forward

- Developing countries should exert pressure on rich cotton producing countries to stop supporting their cotton sector as an interim step to stabilize the price.
- There is need for greater participation by the private sector in supporting cotton production. Currently the ginners and cotton exporters are taking the leading role in this direction, but more needs to be done.
- Formation of more farmer groups and strengthening the existing ones.
- Formation of an apex cotton farmer's body (National Cotton Farmers Association).
- Opening up more acreage cotton production (large scale cotton production).
- Lobbying the Government to release more money or releasing the budgeted in time to achieve the planned annual cotton activities.

5. Private Sector Involvement

5.1. Uganda Ginners and Cotton Exporters Association (UGCEAL

In 1998, Uganda Ginners and Cotton Exporters Association (UGCEA) was formed. The organization was formed under the guidance of CDO within its statutory mandate (CDO Act, 1994) Section 5 (l) where CDO is entrusted with promotion of formation of associations among different groups in the industry. This was formed as an umbrella Organization of all ginners within Uganda. The organization's main objective is to uplift the quantity and quality of cotton exported through coordination of cotton related activities. However, since the abandonment of zoning activities in 2006, the organization's role in cotton activities took slow pace until last season when there seems to be a will by the ginners to participate in providing seed and subsidized inputs to farmers. This is also in reaction to the government's reduced role in promotion of the cotton industry.

5.2. ACE Services for the Cotton Sector since 1996/97 Season

Since the cotton season 1996/97, ACE has been offering a wide range of services to the cotton industry at various stages of production and marketing. These services include but are not limited to quality control, production statistical monitoring, credit control and recovery, audit and other advisory services. Detailed services for the cotton sub sector outlined below:

1. Quality & Statistical monitoring and cess collection (CDO-1996-09)
2. Monitoring seed dressing, bulking and distribution to farmers countrywide (UGCEA-1998-2011)
3. Receipt, storage and distribution of farm inputs like pesticides and spray pumps to farmers (UGCEA-1998-2000).
4. Credit Recovery - Ensuring that levies are paid especially when recovery of input loans is pegged on the accurate determination of the weight of seed cotton purchased from farmers either at upcountry buying centres or at the ginneries (CDO/UGCEA-1997-2011)
5. Audit of the ginners' investment in various gazetted cotton growing zones. (UGCEA-2003-2007)
6. Policing and monitoring of the cotton marketing and buying activities of all ginners in particular zones in Uganda (UGCEA-2003)
7. Quality and statistical monitoring of Organic cotton in Lango sub region (UGCEA/CDO-2005).
8. Training as and when required in quality control and assurance for ginnery operators (CDO-1996-2011).
9. Facilitation of cotton (lint) pre-export financing, under structured trade finance arrangements with Banks (Individual Ginners/Banks-1998-2012).
10. Supervision and monitoring of Field extension work for cotton farmers throughout the country.

5.2.1. Benefits of ACE Services to the Cotton

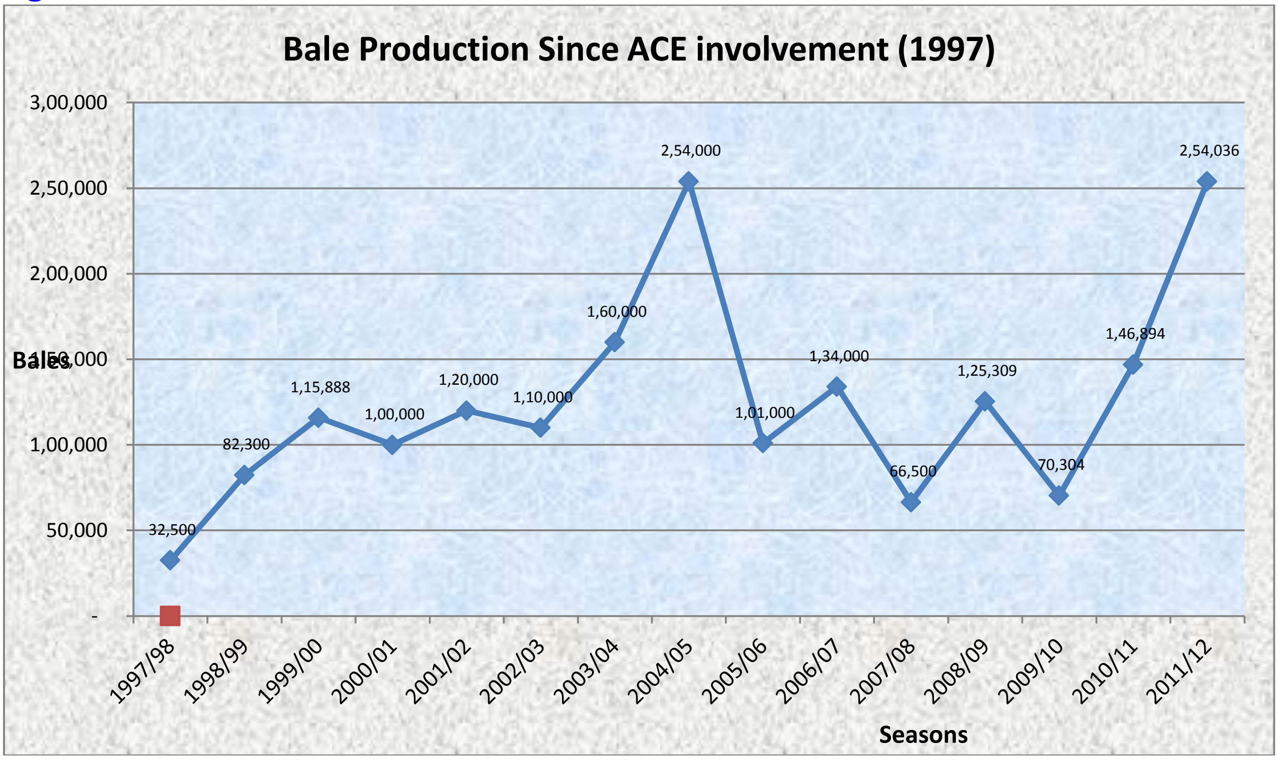
1. Government and other policy makers are comfortable with planning based on the proper and accurate information on cotton production statistics.
2. Improved transparency and accountability among the cotton dealers by provision of accurate data on the activities that take place at ginneries.
3. Ginners who were facing internal malpractices have heavily relied on ACE data as accurate and final. Some have reduced on the workforce thus minimizing costs.

4. Improvement of Lint quality. Cotton grades have improved over the period due to the improved monitoring of cotton marketing and improved supervision of ginnery practices. Some of the ginnery practices include the following:

   a). Facilitation of lint classification by drawing, sealing, and proper handling of the right samples thus eliminating the manipulation of samples by unscrupulous dealers.
   b). Ensuring the calibration of weigh scales used in order to avoid possible cheating by the parties concerned through compilation of wrong information for CDO.
   c). Ensuring proper hygiene of the ginning environment for cotton lint and seed quality improvement.
   e). Ensuring Installation of appropriate fire fighting equipment to safeguard ginnery property.
   f). Ensuring the performance of the Ginning Outturn Tests for quality and quantity analysis of seed cotton for different periods.
   g). Training and appraising of field staff for capacity improvement and enhancement in handling all cotton related issues.

   The above factors have greatly contributed to the process of uplifting the cotton quality standards hence maintaining the premium price Uganda has been enjoying in the world market.
5. Audit of the ginners' investment led to accurate determination of each ginner's investment in particular zones and minimized conflict in the industry. Ginners could invest with confidence and facilitate increased farmer support, which subsequently increased cotton production.
6. Zonal policing led to adherence to zonal rules thus minimizing smuggling of cotton from one zone to the other. Ginners were able to register sufficient seed cotton stocks and meet their targets.
7. Development of an efficient planting seed sourcing and control mechanism in the midst of a lucrative oil seed market environment with high demand by oil millers.
8. Attraction of more investment into the cotton sector by financiers and other international players. These were mainly attracted by the organisation of the industry in Uganda of which ACE has proudly been involved.
9. Availability of accurate record of organic cotton produced for planning purposes by the government as well as potential investors.
10. Adaptation of farmers to improved cotton agronomical practices coupled with high yield per acre due to trainings offered by various staff under supervision of ACE.

Figure.3. Lint Production Since ACE Involvement



Source: ACE & CDO Records

6. The 2011/2012 Cotton season

The terms of reference for the contract were:

I. Ginnery Compliance monitoring
II. Quality and Production Statistics monitoring
III. Levy assessment and payment verification
IV. Monitoring of seed dressing and distribution

In pursuance of the above areas, ACE looked at one important aspect that summarises the activity - the increasing concern over quality control at ginnery level and need for objectivity to monitor and certify the export quality of lint cotton. Consequently ACE identified the areas below as having constituted constraints in terms of quality control and monitoring in the Ugandan cotton sub-sector:

- Poor quality of seed cotton arriving at ginneries;
- Inability to determine actual weights of seed cotton received at ginneries; and actual lint and cottonseed ginned.
- Limited staff capacity at ginneries who are proficient in seed cotton quality control;
- Lack of proper quality control during the ginning process;
- Lack of information on seed cotton sources and lint bale destinations
- Intricacies involved in seed cotton transfers from source to destination ginneries
- Non-segregation of seed cotton varieties
- Non compliance to crucial ginnery requirements
- Lack of transparency from some ginners.
- Evasion of cess payment due to inadequate manpower to accurately record the production statistics, a basis for levy assessment
- Improper handling of planting seed transactions from the source ginneries, through dressing to final distribution
- Discrepancies in planting seed quotas for various ginners

It is in connection with these issues, that Uganda Ginners & Cotton Exporters Association (UGCEAL) contracted ACE global (Uganda) Ltd to implement the well crafted strategies through the provision of services aimed at streamlining the industry in the above specific areas.

In accomplishment of the above tasks, ACE undertook the following:

- Ensuring crucial ginnery requirements are in place prior to receipt of seed cotton;
- Monitoring the receipts, actual weights and quality of seed cotton at the ginnery entrance;
- Monitoring seed cotton sources per district and transfers from ginnery to ginnery and ensuring segregation of various varieties.
- Implementation and monitoring of a system of control of the ginning process to ensure consistent product quality;
- Monitoring of ginnery out-turn to assess actual production volume, account for all seed cotton received and management of the associated levy payment to CDO and UGCEAL;
- Quality control and monitoring of lint to verify actual weights and markings immediately as bales fall off the press;
- Monitoring the sampling process; and obtaining information relating to lint bale destinations
- Monitoring of cottonseed procurement, dressing and distribution.
- Training of staff in cotton handling and related activities

All activities performed by ACE were conducted within the scope of the ACE General Terms and Conditions.

I). Ginnery Compliance Monitoring

ACE mandate at the ginnery commences with general inspection of the ginnery to assess the suitability of the ginnery as a buying post as required by the cotton regulations and CDO guidelines. CDO has a statutory duty to register operational ginneries annually after ensuring compliance with the law and factory regulations. The recommendation is that every ginnery secures ginning licence after meeting the minimum standards set. ACE ensures, on a continuous basis throughout the season, that the regulations are adhered to and any deviation attracts protest notes to CDO for immediate action.

It should be noted that suitability of the ginnery has a direct implication to quality assurance. In pursuance of the above, ACE ensures that at the commencement of field operations and immediately after deployment of field staff, a thorough audit is conducted to ascertain the following:

- Whether the weighing scales and bridges are properly calibrated and checked by the Weights and Measures authorities.
- Whether standard grade sample boxes have been properly placed.
- Ensuring that fire fighting equipment is in place and properly checked by the competent authorities
- Ensuring that ginnery stores and warehouses are properly repaired, cleaned and fumigated before the beginning of the season;
- Ensure that the ginnery compound and ginning hall are clean and free from fire and any other hazards
- With the above in place and in consultation with the ginner, ACE is mandated to provide CDO with a schedule for ginnery out-turn tests which should help in determining and monitoring levies payable at the ginnery. Each ginnery is required to carry out mandatory GOT tests in the 1st and 3rd Month of ginning.

Due to ACE vigilance, the above set standards were adhered to by most ginners with minimal resistance. By close of the season, almost all requirements were in place. The only anomaly was that GOT was not conducted twice as required. At worst only a few ginneries never conducted GOT at all during the season. (Annex VII gives the details).

II). Quality and Production Statistics Monitoring

The season saw a 42% rise in production from the total national production of 146,894 bales for the 2010/11 season to 254,036 bales. Industry analysts attributed the rise to various factors among which are:

- Favourable weather conditions
- Adequate field extension work
- Favourable price for the previous season

Overleaf is a detailed table on seed cotton purchases, lint and cotton seed production figures for the season

ACE GLOBAL DEPOSITORY

Table 2: Cotton Production Statistics – 2011/12

S NO S	Section A – Seed Cotton			Section B – Lint Bales							Section C – Cotton Seed			
	Ginneries	**Ginners**	Wt Purchased	Equiv.Bale	Bales Prod	Wt of Bales	Av Bale Wt	Bales Desp.	Wt of Bales	Balance	Est Prodn (Kg)	Planting (kg)	Sales (kg)	Balance (Kg)
1	Aboke	Africot	1,830,442.0	3,463	3,716	711,049	191.3	3,716	711,049	0	1,279,846	-	1,279,846	-
2	Aduku	Twin Brothers Ltd	3,048,640.0	5,768	6,341	1,075,137	169.6	3,935	673,474	2,406	2,096,987	-	1,295,980	801,007
3	Balawoli	Ajay Cotton Co.	1,415,339.0	2,678	2,500	499,120	199.6	2,450	488,682	50	856,354	-	321,435	534,919
4	Bulangira	Cottfield (EA) Ltd	5,889,464.0	11,142	9,745	2,034,324	208.8	9,740	2,033,237	5	3,885,238	-	3,885,238	-
5	Bulumba	Bon Holding Ltd	4,865.0	9	0	0	-	0	-	0	-	-	-	-
6	Busembatia	Pramukh Agro Ind	2,953,472.0	5,588	5,708	1,074,697	188.3	4,950	936,825	758	1,845,801	-	1,244,870	600,931
7	Bushenyi	Bushenyi Cotton	6,142,311.0	11,621	10,587	2,200,420	207.8	9,389	1,955,472	1,198	3,964,142	535,828	2,122,075	1,306,239
8	Busolwe	South Base Agro Ind Ltd	1,228,806.0	2,325	2,158	412,808	191.3	1,700	325,094	458	694,900	-	694,900	-
9A	Coo-Rom	Gulu Agr.Dev.Co (GADC)	5,019,549.0	9,496	9,744	1,823,019	187.1	9,744	1,823,019	0	3,195,500	972,643	1,075,870	1,146,988
9B	Coo-Rom	GADC-Organic	1,232,981.0	2,333	2,437	455,632	187.0	1,809	337,874	628	756,197	-	422,040	334,157
9C	Coo-Rom	West Acholi Co-op Union	750,953.0	1,421	1,443	269,255	186.6	1,350	251,743	93	449,740	-	447,000	2,740
10	Dabani	Bestlines Ltd	658,679.0	1,246	1,204	227,765	189.2	1,204	227,765	0	421,400	60,459	-	360,941
11	Hoima	Olam Uganda Ltd	5,107,058.0	9,662	8,925	1,786,382	200.2	8,911	1,783,456	14	3,110,890	92,270	3,002,505	16,115
12	Ireme	Dunavant	11,558,774.0	21,868	20,750	3,997,948	192.7	17,980	3,474,064	2,770	6,960,187	-	3,303,600	3,656,587
13	Ikiki	North Bukedi Cotton Co	2,662,014.0	5,036	4,723	926,493	196.2	4,723	926,493	0	1,643,000	30,380	1,612,620	-
13A	Ikiki	GADC	1,049,490.0	1,986	1,995	391,637	196.3	1,995	391,637	0	667,900	71,444	184,830	411,626
14	Jaber	South Base Agro Ind Ltd	1,905,388.0	3,605	3,302	681,444	206.4	2,050	417,006	1,252	1,155,700	-	1,155,700	-
15A	Jitco	Olam Uganda Ltd	1,488,780.0	2,817	0	0	-	0	-	0	-	-	-	-
15B	Jitco	Rwenzori Cotton Ginners	1,439,926.0	2,724	3,315	697,283	210.3	3,294	692,627	21	1,143,581	-	866,840	276,741
16	Kabole	Lukhonge Cotton Co.Ltd	2,758,465.0	5,219	4,967	947,859	190.8	4,967	947,859	0	1,569,864	-	1,569,864	-
17	Kachumbala	CN Cotton Ltd	5,065,176.0	9,583	11,780	2,307,571	195.9	7,253	1,426,539	4,527	3,762,132	-	3,661,989	100,143
18A	Kasese WUCC	Western Uganda Ctn Co	5,509,484.0	10,423	9,124	1,981,585	217.2	9,124	1,981,585	0	3,566,854	1,022,400	1,754,520	789,934
18B	Kasese WUCC	Nyakatonzi Co-op	0.0	0	1,432	306,214	213.8	1,432	306,214	0	551,184	-	551,184	-
18C	Kasese WUCC	Nyakatonzi Co-op	377,760.0	715	620	135,114	217.9	200	42,855	420	225,496	-	225,496	-
19	Kobulubulu	Meena Industries Ltd	157,501.0	298	300	56,964	189.9	300	56,964	0	92,977	-	92,977	-
19A	Kobulubulu	Lukhonge Cotton Co.	1,417,921.0	2,683	2,735	520,901	190.5	2,735	520,901	0	849,104	-	90,703	758,401
20	Kibuku	Olam Uganda Ltd	4,448,408.0	8,416	9,335	1,769,951	189.6	8,587	1,628,194	748	2,977,400	-	2,977,400	-
21A	Kitgum	East Acholi Co-op.Union	275,765.0	522	520	96,313	185.2	500	92,579	20	164,541	-	164,541	-
21B	Kitgum	Rwenzori Cotton Ginners	3,130,272.0	5,922	4,260	790,356	185.5	4,260	790,356	0	1,369,512	-	529,690	839,822
21C	Kitgum	Olam Uganda Ltd	523,800.0	991	112	20,666	184.5	112	20,666	0	35,408	-	35,408	-
22	Kiyunga	Mutuma Comm.Agencies	1,846,101.0	3,493	3,401	623,645	183.4	2,170	399,136	1,231	1,135,029	-	1,135,029	-
23	Ladoto	Pramukh Agro Ind	1,050,031.0	1,987	1,767	353,714	200.2	1,017	206,040	750	634,674	-	68,240	566,434
24	Lukhonge	Lukhonge Cotton Co.Ltd	3,478,950.0	6,582	6,413	1,258,646	196.3	6,320	1,240,808	93	2,052,160	-	1,160,925	891,235
25	Masindi	Parocot	370,366.0	701	693	131,559	189.8	693	131,559	0	223,889	-	81,218	142,671
26	Mukongoro	CN Cotton Ltd	1,311,210.0	2,481	0	0	-	0	-	0	-	-	-	-
27	Nakivumbi	Bon Holding Ltd	3,900,517.0	7,379	7,526	1,378,274	183.1	5,310	973,304	2,216	2,388,341	36,350	1,505,242	846,749
28	Ngetta	Lango Co-op Union	1,242,368.0	2,350	2,520	450,163	178.6	1,098	192,686	1,422	806,400	-	679,350	127,050
29A	Nyakatonzi	Nyakatonzi Co-op Union	4,607,524.0	8,717	6,894	1,291,776	187.4	6,042	1,135,321	852	2,325,197	751,317	956,910	616,970
29B	Nyakatonzi	Nyamambuka	984,045.0	1,862	1,843	344,660	187.0	1,843	344,660	0	633,827	-	633,827	-
29C	Nyakatonzi	Lyembuza	712,520.0	1,348	1,327	249,063	187.7	1,327	249,063	0	448,313	-	448,313	-
30	Nyakesi	Novo Enterprises Ltd	3,721,612.0	7,041	6,924	1,302,378	188.1	5,900	1,116,173	1,024	2,325,277	-	1,901,680	423,597
31	Odokomit	MMP Agro Ind Ltd	10,398,429.0	19,673	20,605	3,903,531	189.4	20,225	3,836,253	380	7,211,750	207,825	3,147,110	3,856,815
31A	Odokomit	Olam Uganda Ltd	0.0	0	2,323	451,948	194.6	2,323	451,948	0	721,939	-	721,939	-
32	Pakwach	AJAY Ltd	5,481,442.0	10,370	9,538	1,965,251	206.0	9,538	1,965,251	0	3,279,620	-	3,279,620	-
33A	Parombo	Olam Uganda Ltd	2,044,153.0	3,867	3,795	727,940	191.8	3,795	727,940	0	1,247,140	-	1,053,505	193,635
33B	Parombo	Rwenzori Cotton Ginners	4,236,851.0	8,016	7,932	1,507,906	190.1	7,900	1,501,898	32	2,636,190	-	1,875,693	760,497
34	Rwenzori	Rwenzori Cotton Ginners	6,398,808.0	12,106	9,877	2,208,419	223.6	9,513	2,125,153	364	3,754,312	1,204,823	2,132,446	417,043
35A	Rhino Camp	Laudel's Options Ltd	381,830.0	722	724	136,742	188.9	724	136,742	0	226,760	-	226,760	-
35B	Rhino Camp	UNACOFF	1,427,777.0	2,701	2,723	508,804	186.9	2,505	467,992	218	873,285	-	873,285	-
36A	Soroti	SAARI	1,800.0	3	3	682	227.3	0	-	3	1,087	-	-	1,087
36B	Soroti	Country Farm Ltd	1,628,224.0	3,080	2,837	600,786	211.8	432	94,005	2,405	1,003,410	-	533,291	470,119
	TOTAL		134,276,041	254,036	243,443	47,593,791		217,085	42,560,159	26,358	83,220,435	4,985,738	56,983,504	21,251,192

Source: ACE Records

Table 3: BR Bale Production (2011/12)

SECTION A - SEED COTTON			SECTION B - LINT BALES				
GINNERIES	GINNERS	Total Weight Purchased (Kg)	Equiv. Bale Production*	Total no. of Bales Produced	Total Weight of Bales Produced (Kg)	Total no. of Bales Desp.	Balance in Stock
BALAWOLI	Ajay Cotton Co.		-	9.00	1,666.30	-	**9.00**
BUSHENYI	Bushenyi Cotton Limited		-	8.00	1,882.00	-	**8.00**
BUSOLWE	South Base Agro Ind Ltd		-	10.00	1,869.50	-	**10.00**
DABANI	Bestlines Ltd		-	1.00	168.00	-	**1.00**
KIBUKU	Olam Uganda Ltd		-	58.00	11,379.90	-	**58.00**
KIYUNGA	Mutuma Comm. Agencies		-	6.00	1,121.00	-	**6.00**
LUKHONGE	Lukhonge Cotton Co. Ltd		-	12.00	2,189.50	-	**12.00**
RHINO CAMP	UNACOFF	312.00	0.59	-	-	-	-
TOTAL		**312**	**1**	**104**	**20,276**	**0**	**104**

Source: ACE Records

a). Seed Cotton transfers

Transfers are a result of:

- Ginneries purchasing few quantities that are uneconomical to gin at those particular locations
- Surrendering excess purchase over and above the agreed quantities in case of crop sharing agreements.
- Constant power interruptions and machine breakdown forcing some ginners to transfer part of their seed cotton to other locations so as to beat contract deadlines.
- Purchase of seed cotton by one ginner in different regions

Transfers this season was mainly related to the last two issues above:

- Kitgum (OLAM) to Kibuku & Odokomit
- Kitgum (Rwenzori) to JITCO.
- JITCO (Olam) to Kibuku & Odokomit
- Bulumba to Nakivumbi
- Mukongoro to Kachumbala
- Nyakatonzi to Western Uganda

The resultant effect of transfers includes:

- Some ginneries receiving more than what was dispatched (from dispatch ginneries)
- Most ginneries received less than what was dispatched

The implication of the above scenario is that:

- Receiving ginneries produced more bales than the expected from the seed cotton purchased.
- Other ginneries recorded no bale production yet they reflect seed cotton purchases.

Table below gives the details:

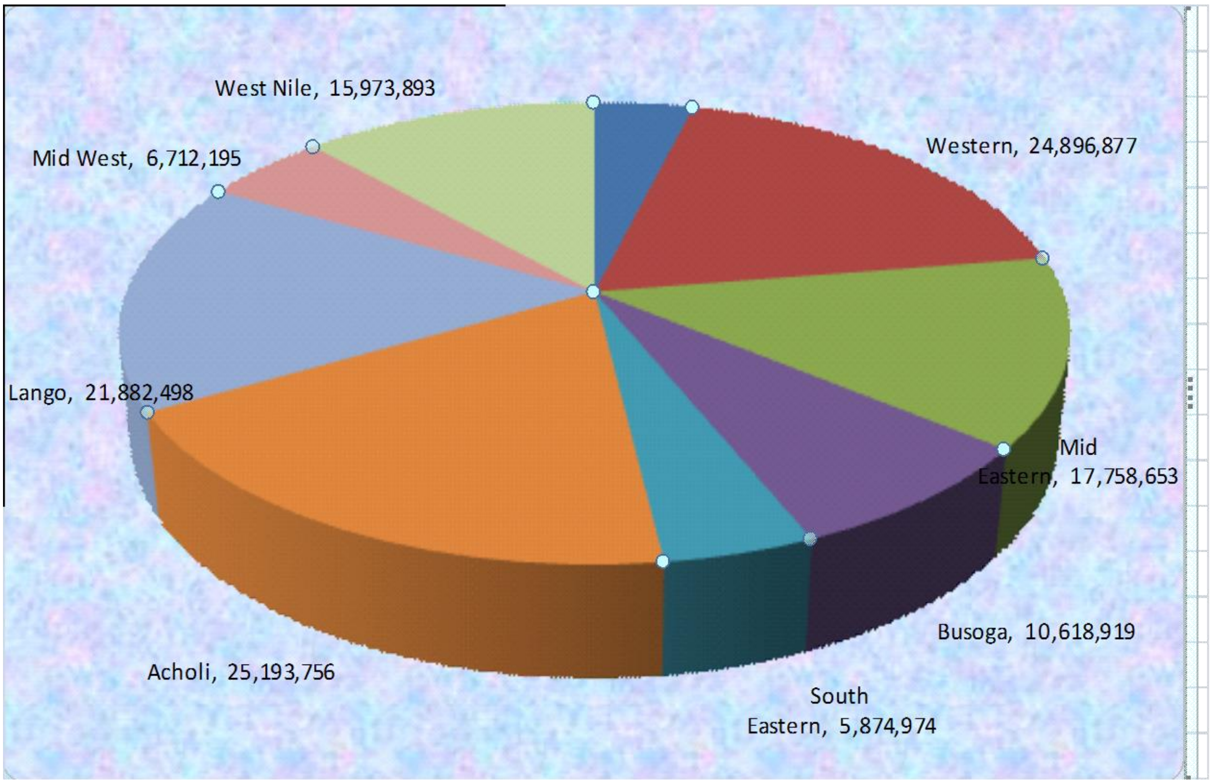
Table 4: Seed Cotton Transfer Report (2011/12)

Despatches						Receipts						Variance
			Purchases	Transf/Desp	Balance				Purchases	Transfers Received	Closing Stock	
Source Ginnery	Ginner	Net Wt (kgs)	Net Wt (kgs)	Net Wt (kgs)	Net Wt (kgs)	Destn Ginnery	Ginner	Net Wt (kgs)	Net Wt (kgs)	Net Wt (kgs)	Net Wt (kgs)	Net Wt
Kitgum	Rwenzori	3,130,272	-	614,605	2,515,667	JITCO	Rwenzori	1,439,926	-	601,695	2,041,621	(12,910)
Kitgum	OLAM	523,800	-	34,100	122,995	Kibuku	OLAM	4,448,408	-	34,030	5,050,238	(70)
JITCO	OLAM	1,488,780	-	568,380	77,990					567,800		(580)
				842,410			OLAM	-	-	840,645	1,212,035	(1,765)
Kitgum	OLAM	-	-	366,705	-	Odokom				371,390		4,685
Kitgum	East Acholi	275,765	-	42,520	233,245	Coo-Rom	East Acholi	-	-	42,520	42,520	-
Mukongoro	CN	1,311,210	-	1,261,530	49,680	Kachumbala	CN Cttn	5,064,842	-	1,266,670	6,331,512	5,140
Bulumba	Bon Holding	4,865	-	4,865	-	Nakivumbi	B/ Holding	3,895,652	-	4,865	3,900,517	-
Kasese	Nyakatonzi	4,607,524	-	857,273	3,750,251	Kasese	WUCC	-	-	857,920	857,920	647

b). Seed Cotton Regional Production

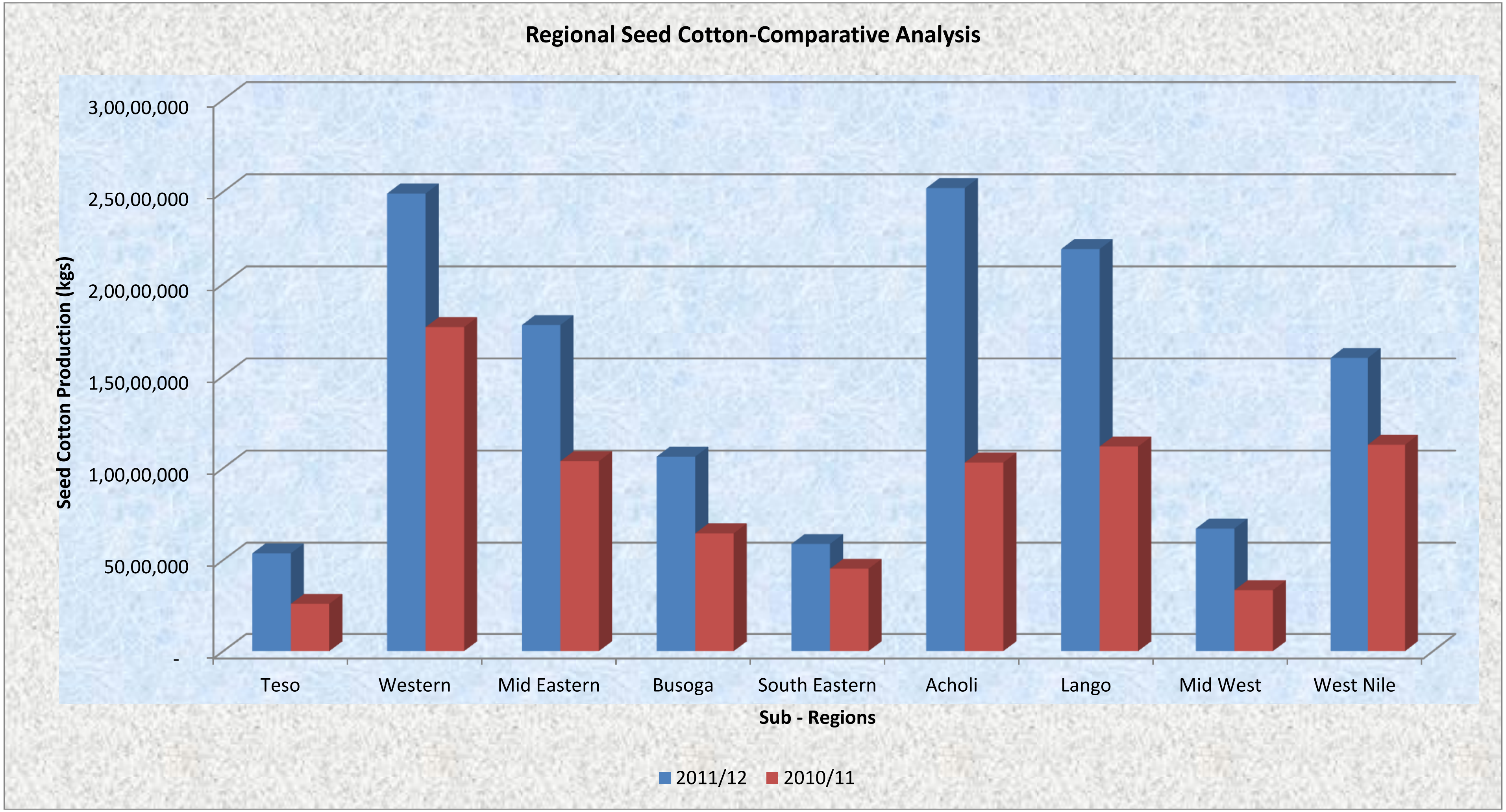
The traditional zones have been considered under this sub topic. Reliable source of information on the seed cotton production per region is normally sourced from the agents. However, some agents deliberately provide wrong information on the source so as to receive higher price per kg for transport. On the other hand, some genuine agents do not actually know the district boundaries. In consideration of the two cases, ACE does in-depth probing to ensure information given is accurate. See Annex V for details on seed cotton source by district as provided by various agents to ACE ginnery-based staff.

Figure 4: Seed Cotton Production-By Region (2011/12)



Source: ACE Reports

Figure 5: Seed Cotton - Production per Sub-Regions (Comparative Analysis)



Source: ACE Records

IV). Quality Control & Monitoring

Under quality monitoring, ACE is mandated to control quality at all stages of the cotton production chain. CDO as a regulator sets seed cotton quality guidelines, which have to be adhered to by all registered ginners. ACE is contracted to ensure compliance to the guidelines and report non-compliance to CDO immediately. Worst-case scenarios of quality anomalies attract protest notes by ACE and immediate follow up by CDO to address the matter. Sanctions for non- compliance is at the discretion of CDO, as statutory mandated.

The experience gained over the years in the cotton industry has enabled ACE to master all the basics of seed cotton quality control. For technical analysis, CDO supplies ACE with moisture meters for Moisture Content analysis (MC) of seed cotton from every supplier (Agent) prior to off loading at the ginnery. Similarly visual methods are applied to detect seed cotton with extraneous matter, supply in non-conformity wrapping materials. ACE also ensures storage facility suitability and the general cleanliness of the ginnery environment.

For cotton lint, ACE scope of intervention is limited to randomly drawing samples from automatic sampling devices (ASD), wrapping and sealing the samples with wax and CDO stamp and handing them over to the ginner for onward submission to CDO. CDO does analysis and grading of the samples. To keep the sampling transparent, samples drawn from all the bales using ASD are kept at the ginneries in case they were required for comparisons.

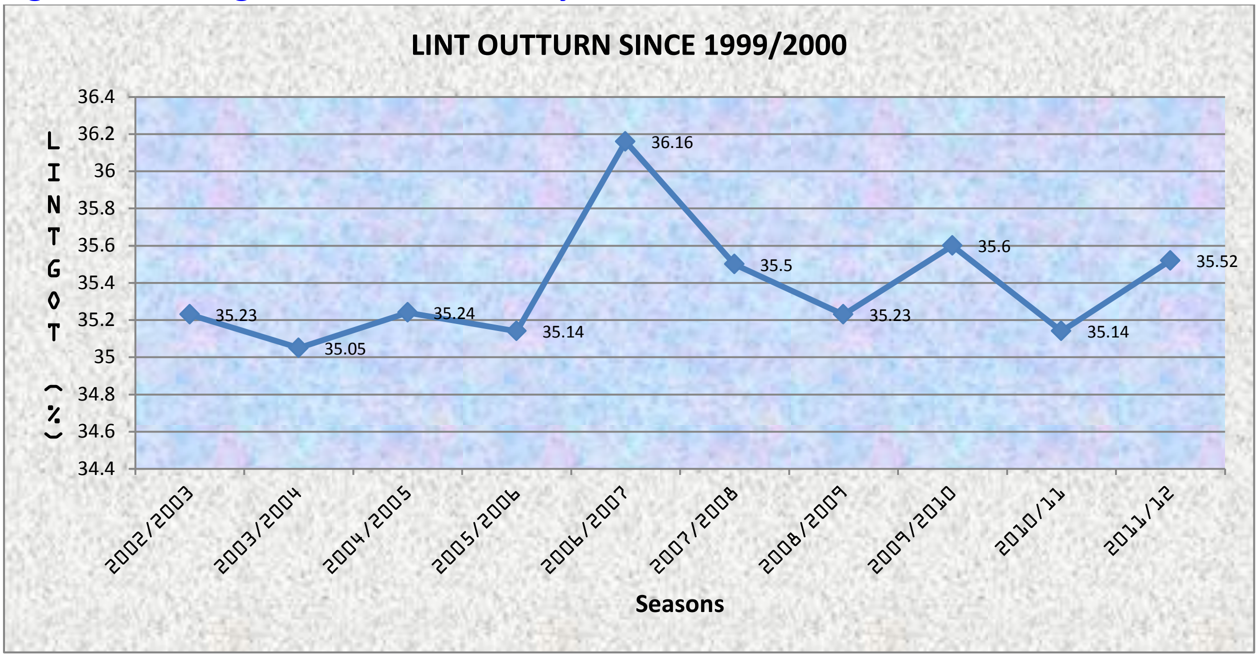
e). Ginning outturn tests

To achieve an accurate result, the industry requirement is that the ginning outturn test (GOT) be conducted twice during the season, one at the beginning and the second in the third month of the ginning period. This season however, GOT was carried out once at only Twenty-eight (28) ginneries and was not carried out at Five (05) of the operational ginneries.

Results from the covered ginneries indicated a slight improvement in the lint outturn as the lowest was Kitgum with 33.56% as compared to last season's 33.12% at Bulangira. Also whereas the highest last season was 36.56% at Iceme, this season it was 36.69% at Jaber. The national average percentage was at 35.56% slightly higher than 35.10% for the previous season. Full report on GOT given as Annex VI.

Close analysis shows that the average lint outturn has been fluctuating over the years as shown in the figure overleaf.

Figure 6: Average Lint Outturn over years



Source: CDO Records

III). Cotton Development Fund Payment Monitoring

One of the critical areas of ACE intervention is monitoring CESS and CDF payment, a government cotton export levy, paid by all ginners who gin and export cotton. The scope of ACE cess recovery mechanisms cover the accurate recording of the actual seed cotton purchased, monitoring the production and ensuring that ginners pay CESS equivalent of a percentage of the value of 1kg of lint. The payment receipts are submitted to the ginnery for ACE verification before release of any bales. Similarly, due to decreased role of government funding to the cotton sector, ginners agreed amongst themselves to institute a Fund for promotion of cotton, especially seed and other production inputs to farmers, known as Cotton Development Fund (CDF), whose collection mechanism is the same as CESS. See tables overleaf for details.

Table 6A Cess Payment Report (2011/12)

Name	Purchases	Bales	Lint Prod.(kg)	Amount due	Amount paid
Africot Trading Co	1,830,442	3,716	711,049	63,994,410	64,994,380
Ajay Cotton Ltd	6,896,781	12,038	2,464,371	221,793,390	221,804,010
Bon Holdings Ltd	3,905,382	7,526	1,378,274	124,044,660	86,426,338
Bushenyi Cotton Co	6,142,311	10,587	2,200,420	198,037,800	157,337,890
CN Cotton Limited	6,376,386	11,780	2,307,571	207,681,390	207,623,190
Cottfield E.A	5,889,464	9,745	2,034,324	183,089,160	183,205,310
Country Farm Cotton	1,628,224	2,837	600,786	54,070,740	53,570,740
Dunavant (U) Ltd	11,558,774	19,323	3,729,558	335,660,220	326,855,423
East Acholi Cooperative	275,765	520	96,313	8,668,170	8,688,305
Gulu Agricultual Devt Co	6,068,325	11,739	2,214,656	199,319,040	207,172,456
Gulu Agricultual Devt Co- organic	1,173,189	2,439	455,632	53,308,944	37,172,267
Lango Cooperative Union	1,242,368	2,225	396,272	35,664,480	12,406,500
Laurdels Options Ltd	381,830	724	136,742	12,306,780	12,306,950
Lukhonge Cotton Co	7,655,336	14,115	2,727,406	245,466,540	245,340,015
MMP Agro- Industries	10,398,429	20,605	3,903,531	351,317,790	351,313,681
Mutuma Commercial Agencies	1,846,101	3,401	623,645	56,128,050	40,345,530
North Bukedi Cotton Co	2,662,014	4,723	926,493	83,384,370	83,260,040
Novo Enterprises	3,721,612	6,924	1,302,378	117,214,020	117,213,980
Nyakatonzi Cooperative	4,985,284	8,946	1,733,098	155,978,820	156,479,469
Olam (U) Ltd	13,612,199	24,490	4,756,887	428,119,830	428,118,276
Pramukh Agro Industries	4,003,503	7,475	1,428,411	128,556,990	128,590,758
Rwenzori Cotton co	15,205,857	25,383	5,203,836	468,345,240	489,000,000
South Base Agro Industries	3,134,194	5,460	1,094,252	98,482,680	69,488,170
Twin Brothers Ltd	3,010,140	4,881	829,769	74,679,210	38,156,760
UNACOFF	1,427,777	2,723	508,804	45,792,360	32,010,960
West Acholi Cooperative	750,953	1,443	269,245	24,232,050	24,243,049
Western Uganda Cotton	5,509,484	9,124	1,981,585	178,342,650	178,314,873
Dabani Limited	658,679	1,204	227,765	20,498,850	20,499,220
Lyemibuza United Farmers	712,520	1,327	249,063	22,415,670	22,415,750
Meena Industries	157,501	300	56,964	5,126,760	5,273,460
Nyamambuka Cooperative Society	984,045	1,843	344,660	31,019,400	31,019,400
PAROCOT Ltd	370,366	693	131,559	11,840,310	8,840,310
SAARI	1,800	3	682	61,380	-
Total	**134,177,035**	**240,262**	**47,026,001**	**4,244,642,154**	**4,049,487,460**

Source: ACE & CDO

Table 6B: CDF Payment Report (2011/12)

S.NOS	Ginnery	Ginners	Purchases	CDF Payable	Bales	Wt.(Kg)	Despatches	Wt (kg)	Payable on Lint Prod	Payable on Lint Desp	CDF Paid (UGX)
1	Aboke	Africot	1,830,442.0	366,088,400	3,716	711,049	3,716	711,049	426,629,400	426,629,400	384,905,400
2	Aduku	Twin Brothers Ltd	3,048,640.0	609,728,000	6,341	1,075,137	3,935	673,474	645,082,200	404,084,400	358,743,900
3	Balawoli	Ajay Cotton Co.	1,415,339.0	283,067,800	2,500	499,120	2,450	488,682	299,472,120	293,209,200	200,314,740
4	Bulangira	Cottfield (EA) Ltd	5,889,464.0	1,177,892,800	9,745	2,034,324	9,740	2,033,237	1,220,594,400	1,219,942,200	1,200,314,740
5	Bulumba	Bon Holding Ltd	4,865.0	973,000	0	0	0	-	-	-	-
6	Busembatia	Pramukh Agro Ind	2,953,472.0	590,694,400	5,708	1,074,697	4,950	936,825	644,818,020	562,094,700	645,013,320
7	Bushenyi	Bushenyi Cotton	6,142,311.0	1,228,462,200	10,587	2,200,420	9,389	1,955,472	1,320,251,700	1,173,283,200	1,173,283,200
8	Busolwe	South Base Agro Ind Ltd	1,228,806.0	245,761,200	2,158	412,808	1,700	325,094	247,684,800	195,056,400	195,056,400
9A	Coo-Rom	Gulu Agr.Dev.Co (GADC)	5,019,549.0	1,003,909,800	9,744	1,823,019	9,744	1,823,019	1,093,811,100	1,093,811,100	844,748,399
9B	Coo-Rom	GADC-Organic	1,232,981.0	246,596,200	2,437	455,632	1,809	337,874	273,379,140	202,724,280	82,367,460
9C	Coo-Rom	West Acholi Co-op Union	750,953.0	150,190,600	1,443	269,255	1,350	251,743	161,552,940	151,046,040	161,357,560
10	Dabani	Bestlines Ltd	658,679.0	131,735,800	1,204	227,765	1,204	227,765	136,659,000	136,659,000	230,537,650
11	Hoima	Olam Uganda Ltd	5,107,058.0	1,021,411,600	8,925	1,786,382	8,911	1,783,456	1,071,828,900	1,070,073,480	1,071,825,660
12	Iceme	Dunavant	11,558,774.0	2,311,754,800	20,750	3,997,948	17,980	3,474,064	2,398,768,740	2,084,438,160	2,092,087,280
13	Ikiki	North Bukedi Cotton Co	2,662,014.0	532,402,800	4,723	926,493	4,723	926,493	555,895,500	555,895,500	532,402,800
13A	Ikiki	GADC	1,049,490.0	209,898,000	1,995	391,637	1,995	391,637	234,982,200	234,982,200	238,981,600
14	Jaber	South Base Agro Ind Ltd	1,905,388.0	381,077,600	3,302	681,444	2,050	417,006	408,866,400	250,203,600	121,684,800
15A	Jiroo	Olam Uganda Ltd	1,488,780.0	297,756,000	0	0	0	-	-		-
15B	Jiroo	Rwenzori Cotton Ginners	1,439,926.0	287,985,200	3,315	697,283	3,294	692,627	418,369,800	415,576,200	160,000,000
16	Kabole	Lukhonge Cotton Co. Ltd	2,758,465.0	551,693,000	4,967	947,859	4,967	947,859	568,715,100	568,715,100	491,424,000
17	Kachumbala	CN Cotton Ltd	5,065,176.0	1,013,035,200	11,780	2,307,571	7,253	1,426,539	1,384,542,600	855,923,400	1,275,210,400
18A	Kasese WUCC	Western Uganda Ctn Co	5,509,484.0	1,101,896,800	9,124	1,981,585	9,124	1,981,585	1,188,951,120	1,188,951,120	1,093,436,700
18B	Kasese WUCC	Nyakatonzi Co-op	0.0	-	1,432	306,214	1,432	306,214	183,728,160	183,728,160	183,728,160
18C	Kasese WUCC	Nyakatonzi Co-op	377,760.0	75,552,000	620	135,114	200	42,855	81,068,400	25,712,760	81,068,400
19	Kobulubulu	Meena Industries Ltd	157,501.0	31,500,200	300	56,964	300	56,964	34,178,400	34,178,400	59,821,650
19A	Kobulubulu	Lukhonge Cotton Co.	1,417,921.0	283,584,200	2,735	520,901	2,735	520,901	312,540,600	312,540,600	311,562,600
20	Kibuku	Olam Uganda Ltd	4,448,408.0	889,681,600	9,335	1,769,951	8,587	1,628,194	1,061,970,600	976,916,460	1,061,424,800
21A	Kitgum	East Acholi Co-op. Union	275,765.0	55,153,000	520	96,313	500	92,579	57,787,800	55,547,340	47,120,040
21B	Kitgum	Rwenzori Cotton Ginners	3,130,272.0	626,054,400	4,260	790,356	4,260	790,356	474,213,600	474,213,600	300,000,000
21C	Kitgum	Olam Uganda Ltd	523,800.0	104,760,000	112	20,666	112	20,666	12,399,600	12,399,600	12,399,540
22	Kiyunga	Mutuma Comm. Agencies	1,846,101.0	369,220,200	3,401	623,645	2,170	399,136	374,187,000	239,481,600	265,812,400
23	Ladoto	Pramukh Agro Ind	1,050,031.0	210,006,200	1,767	353,714	1,017	206,040	212,228,400	123,624,000	143,588,100
24	Lukhonge	Lukhonge Cotton Co. Ltd	3,478,950.0	695,790,000	6,413	1,258,646	6,320	1,240,808	755,187,600	744,484,800	766,292,400
25	Masindi	Parocot	370,366.0	74,073,200	693	131,559	693	131,559	78,935,400	78,935,400	
26	Mukongoro	CN Cotton Ltd	1,311,210.0	262,242,000	0	0	0	-	-	-	-
27	Nakivumbi	Bon Holding Ltd	3,900,517.0	780,103,400	7,526	1,378,274	5,310	973,304	826,964,400	583,982,400	583,983,000
28	Ngetta	Lango Co-op Union	1,242,368.0	248,473,600	2,520	450,163	1,098	192,686	270,097,800	115,611,600	126,861,000
29A	Nyakatonzi	Nyakatonzi Co-op Union	4,607,524.0	921,504,800	6,894	1,291,776	6,042	1,135,321	775,065,600	681,192,600	727,887,800
29B	Nyakatonzi	Nyamambuka	984,045.0	196,809,000	1,843	344,660	1,843	344,660	206,796,000	206,796,000	196,847,000
29C	Nyakatonzi	Lyemibuza	712,520.0	142,504,000	1,327	249,063	1,327	249,063	149,437,800	149,437,800	142,504,000
30	Nyakesi	Novo Enterprises Ltd	3,721,612.0	744,322,400	6,924	1,302,378	5,900	1,116,173	781,426,800	669,703,800	675,323,000
31	Odokomit	MMP Agro Ind Ltd	10,398,429.0	2,079,685,800	20,605	3,903,531	20,225	3,836,253	2,342,118,480	2,301,751,920	2,108,955,525
31A	Odokomit	Olam Uganda Ltd	0.0	-	2,323	451,948	2,323	451,948	271,168,800	271,168,800	271,210,800
32	Pakwach	AJAY Ltd	5,481,442.0	1,096,288,400	9,538	1,965,251	9,538	1,965,251	1,179,150,720	1,179,150,720	1,179,041,400
33A	Parombo	Olam Uganda Ltd	2,044,153.0	408,830,600	3,795	727,940	3,795	727,940	436,764,000	436,764,000	183,057,600
33B	Parombo	Rwenzori Cotton Ginners	4,236,851.0	847,370,200	7,932	1,507,906	7,900	1,501,898	904,743,600	901,138,800	340,000,000
34	Rwenzori	Rwenzori Cotton Ginners	6,398,808.0	1,279,761,600	9,877	2,208,419	9,513	2,125,153	1,325,051,400	1,275,091,980	320,000,000
35A	Rhino Camp	Laurdel's Options Ltd	381,830.0	76,366,000	724	136,742	724	136,742	82,045,200	82,045,200	123,434,900
35B	Rhino Camp	UNACOFF	1,427,777.0	285,555,400	2,723	508,804	2,505	467,992	305,282,400	280,795,200	213,406,200
36A	Soroti	SAARI	1,800.0	360,000	3	682	0	-	409,200	-	-
36B	Soroti	Country Farm Ltd	1,628,224.0	325,644,800	2,837	600,786	432	94,005	360,471,600	56,403,000	360,420,000
	TOTAL		134,276,041	26,855,208,200	243,443	47,593,791	217,085	42,560,159	28,556,274,540	25,536,095,220	23,339,446,324

Source ACE & UGCEAL records

IV). Seed Dressing and Distribution Monitoring

ACE scope of intervention covers Cotton seed quantity verification and stock control of seed reserved for planting by various ginners, monitoring the dressing, packaging and distribution to bulking centres.

The figure overleaf shows seed cotton production against seed distribution since liberalisation. Critical analysis of the table shows that in some seasons, there was mismatch between the distributed seed and the bales produced. Ideally, and using standard projections, seed distributed should be commensurate with lint production. Possible reasons behind discrepancies lay in the fact that some farmers receive planting seed with no known opened gardens. Secondly before 2003, there was planting of only fuzzy seed where germination viability percentage was low; and thirdly the poor agronomical practices like multiple seed planting, minimal thinning and pest control procedures leads to poor harvest.

In recent years where all planting seed is de-linted, the production of seed cotton should accurately be projected from the seed distributed, other factors remaining constant. Figure 7 shows the variations over years between seed distributed and bales produced.

Table 7: Annual Seed Planting Distribution & Estimated Acreage

Year	Amount of Seed Distributed		Est Acreage Planted	Bale Production
	Fuzzy	Delinted		
1993/94	3,500	0	150,900	25,000
1994/95	4,428	0	237,500	32,885
1995/96	4,616	0	296,400	57,400
1996/97	7,755	0	367,000	112,400
1997/98	6,802	0	238,300	32,500
1998/99	6,700	0	352,980	82,300
1999/2000	7,759	0	418,160	115,888
2000/2001	8,022	0	441,210	100,100
2001/2002	5,380	400	220,000	120,000
2002/2003	6,206	1,000	250,000	110,000
2003/2004	6,045	1,722	300,000	160,000
2004/2005	6,640	4,000	400,000	254,000
2005/2006	3,334	4,965	200,000	101,000
2006/2007	0	5,100	250,000	134,000
2007/2008	0	5,000	200,000	66,500
2008/2009	0	3,400	200,000	125,310
2009/2010		3,500	222.000	70,304
2010/2011		3,500	200,000	146,894
2011/2012		4,600	300,000	254,036

Source: CDO

The concluded season saw a total distribution of approx 4,600 MT (De-linted) to six cotton-growing sub-regions of Uganda and a total production of 254,036 bales (See Figure 7 Below)

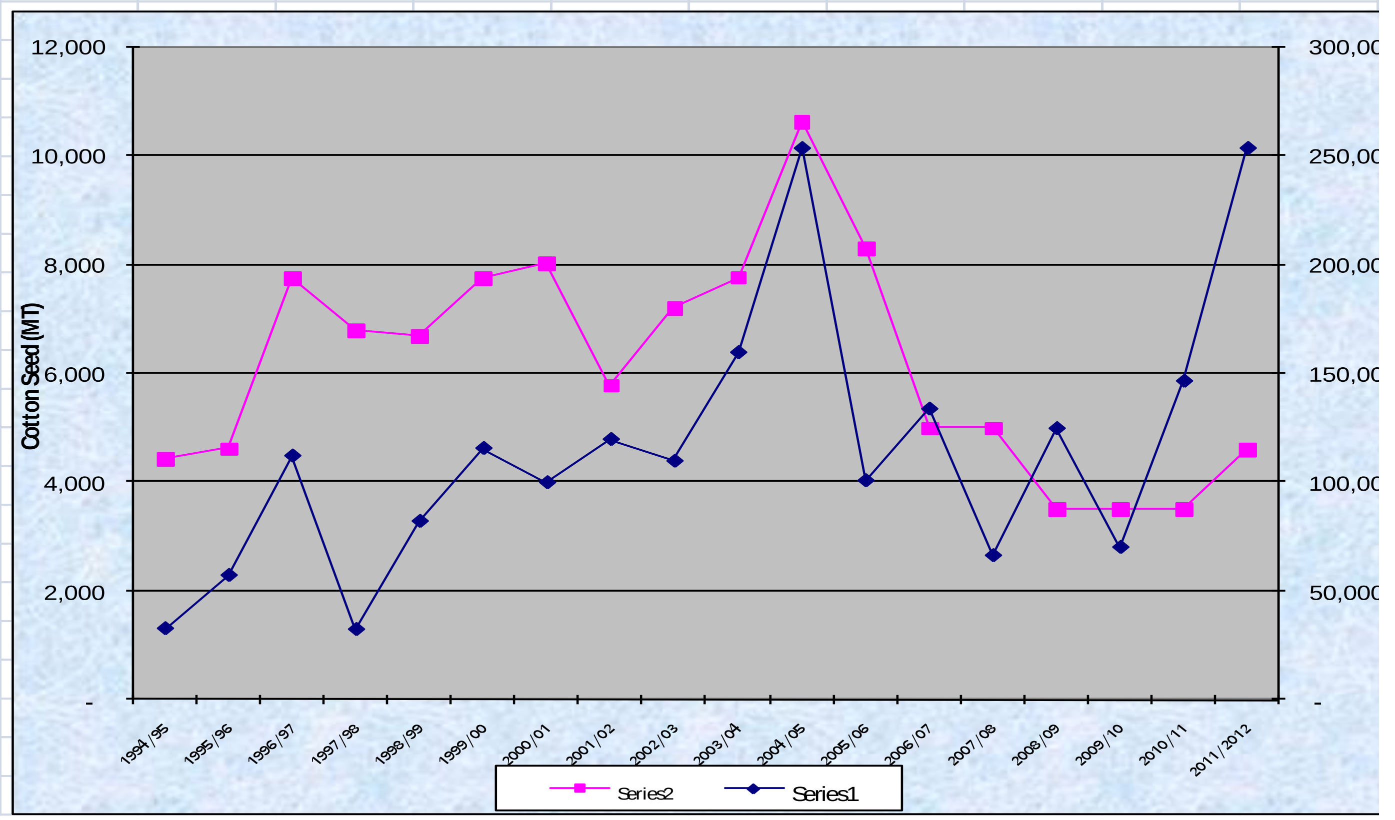


Figure 7. Bale Production Vs Seed Distribution (since 1994)

Source CDO

Details on receipts, dressing and distribution for the coming season (2011/12) overleaf;

7. Major Problems faced during the season

7.1. Seed Cotton stock re-verification;

It is always difficult to persuade ginners to conduct stock re-verification of already purchased cotton before ACE deployment because of cost implication. Yet past experience has shown that by the time ACE deploy field staff, sizeable quantities are already received in the ginneries. The only source of this information is an audit of the Ginners' purchase book, which to some extent the data may either be inflated or understated.

7.2. Unstable Power Supply and Load shading

The problem of inadequate power supply is a common occurrence cutting across all seasons. This season, inadequate power supply affected the ginners in achieving their projected time schedules and contractual deadlines. Also power related issues dramatically raised the costs of operations for ginners who used generators.

7.3. Persistent breakdown of machinery

The above factor disrupted or delayed operations in various ginneries. The affected machines included the gin stands, bale press systems, seed conveyors. Apart from this factor some ginners don't overhaul all the entire machinery at the commencement of the new seasons let alone observe routine machinery maintenance guidelines from CDO. This hampers the ginning schedules at various ginneries during the season.

7.4. Heat Damaged Seed Cotton /Cotton seeds

Was limited this season though some ginneries bought seed cotton during the wet season. However, a few ginneries experienced the problem as given in Annex VII.

7.5. Labour Shortage

Many ginners complain of manpower shortages for various tasks. This leads into accumulation of un-weighed lint bales at many ginneries. These unmarked bales can easily be loaded out at night. According to independent views gathered, the main problem lies in the poor remuneration and delayed payments that cause casual laborers to shun certain ginneries.

7.6. Fire outbreaks.

Various cases of fire outbreaks were reported especially at the peak of the ginning season between February and early March. However there was no significant loss of seed cotton, Lint and seed at the affected ginneries. From our past experience to a big extent fire outbreak cases result from poor hygiene (fluff) and inconsistent machinery maintenance.

7.7. Quantity disputes

It has been noted that whereas most ginneries calibrate the weighing scales before commencement of the season, emphasis is mainly put on the seed cotton weighing equipment while neglecting the weighing equipment for the finished products (bales). Even for seed cotton there was serious problems at some ginnery in Eastern Uganda where the weigh bridge was tampered with after calibration.

7.8 Ginning Outturn tests

This is normally done to account for all the seed cotton purchased in lint terms. It is an exclusive of CDO though individual ginners can arrange on private basis. Though there was an improvement this season, CDO still fell short of 100% GOT coverage as given in Annex VII.

8. Recommendations

Ginners should adhere to the marketing guidelines issued at the commencement of the season by ACE in consultation with CDO, the regulator, to ensure a smooth marketing season. The guidelines are:

- Before commencement of the season, all weighing equipment (for seed cotton, bales and cotton seed) shall be calibrated and stamped by the relevant authorities. There shall be continuous and spot-checks aimed at assessment of the condition of the weighing equipment at all ginneries throughout the season.

- Ginners should prepare adequately for storage of seed cotton during peak periods to avoid operation of makeshift stores, which results into deterioration of seed cotton quality and loss of some quantities. Similarly the storage of lint and seed should be put into consideration before commencement of the season.

- All offloading should be witnessed by ACE staff who will check the quality and take the weight. Seed cotton offloaded without the ACE representative must be re-weighed at the expense of the ginner.

- Sorting and drying of seed cotton MUST be done before the final weight is taken and recorded. Unsorted and wet cotton should out rightly be rejected.

- Seed cotton should be delivered to the ginnery in appropriate bags. Use of polypropylene woven bags must be avoided by agents as well as farmers. The industry recommends cotton cloth, hessian squares and baskets. CDO and other stakeholders in the cotton industry should step up the training and sensitisation of farmers in regard to quality practices. Farm level quality control minimises quality mishaps at the ginnery and finally textile level.

- Ginners are encouraged to be co-operative and facilitate ACE in ascertaining the quantity purchased before the ACE deployments. If ACE has reasons to suspect that the physical quantity does not tally with the book record, then re-weighing should be done at the expense of the ginner.

- At the close of every working day, the ginner’s representative should endorse ACE daily ginnery monitoring record book (FR1). It’s only the endorsed record that shall be taken as final.

- No offloading should take place after 6pm. Trucks that arrive beyond 6pm should be recorded as having entered the ginnery; but offloaded the next day.

- On seed cotton transfers, ginners should take extra care to monitor the transfers from source ginneries in order to avoid loss of quantities en route to destination ginneries. Remember Cotton Development Fund (CDF) is based on the record of first receipts at the source ginneries and not destination ginneries.

- Ginning shall be on store by store basis and ginners should avoid sucking cotton direct from the trucks to the ginning hall.

- With the help of CDO, Ginning Out turn tests (GOT) are mandatory and should be conducted twice; one in the first month of ginning and second in the third month. GOT should only be conducted in the presence of ACE staff and the ginners' representative. ACE can also conduct spot GOT tests at their convenience and ginners should always co-operate.

- Bales should be weighed and marked immediately as they fall off the bale press and that is the only record that should be taken as final. Ginners are requested to avail enough manpower to facilitate the weighing. Weighed bales should be properly stacked according to lots for easy identification.

- Samples should be drawn by ACE staff and if possible be transported by CDO to classification to avoid possible adulteration.
- Cotton seed produced should also be weighed immediately, bagged and stored in ACE approved storage facilities.

- Ginners should inform ACE in advance, of the operating shifts so as to prepare adequately in case of night shift.

- No attempt should be made by any ginner to load the bales for sale before presentation of proof of CDF and Cess payment ONLY TO ACE GINNERY STAFF.

- Finally since the ginners together with CDO resolve to set agreed procedures to guide the marketing activities, they should also resolve to set standard binding penalties in case of non-compliance to the procedures.

9. Annexure

Annex I Performance of Ginners (2011/2012) Season

No	Ginner	No of Ginneries	S/Cotton Purch (kgs).	Equivalent Bales	Actual Bales Produced	Lint Prod.(kg)	% of total
1	Rwenzori Cotton co	4	15,205,857	28,768	25,383	5,203,836	11.32
2	Olam (U) Ltd	4	13,612,199	25,753	24,490	4,756,887	10.14
3	Dunavant (U) Ltd	1	11,558,774	21,868	20,750	3,997,948	8.61
4	MMP Agro- Industries	1	10,398,429	19,673	20,605	3,903,531	7.74
5	Lukhonge Cotton Co	3	7,655,336	14,483	14,115	2,727,406	5.70
6	Gulu Agricultual Devt Co	2	7,302,020	13,815	14,136	2,670,288	5.44
7	Ajay Cotton Ltd	2	6,896,781	13,048	12,038	2,464,371	5.14
8	CN Cotton Limited	2	6,376,386	12,063	11,780	2,307,571	4.75
9	Bushenyi Cotton Co	1	6,142,311	11,621	10,587	2,200,420	4.57
10	Cottfield E.A	1	5,889,464	11,142	9,745	2,034,324	4.39
11	Western Uganda Cotton	1	5,509,484	10,423	9,124	1,981,585	4.10
12	Nyakatonzi Cooperative	2	4,985,284	9,432	8,946	1,733,104	3.71
13	Pramukh Agro Industries	2	4,003,503	7,574	7,475	1,428,411	2.98
14	Bon Holdings Ltd	2	3,905,382	7,389	7,526	1,378,274	2.91
15	Novo Enterprises	1	3,721,612	7,041	6,924	1,302,378	2.77
16	South Base Agro Industries	2	3,134,194	5,930	5,460	1,094,252	2.33
17	Twin Brothers Ltd	1	3,048,640	5,768	6,198	1,058,810	2.27
18	North Bukedi Cotton Co	1	2,662,014	5,036	4,723	926,493	1.98
19	Mutuma Commercial Agencies	1	1,846,101	3,493	3,401	623,645	1.37
20	Africot Trading Co	1	1,830,442	3,463	3,716	711,049	1.36
21	Country Farm Cotton	1	1,628,224	3,080	2,837	600,786	1.21
22	UNACOFF	1	1,427,777	2,701	2,723	508,804	1.06
23	Lango Cooperative Union	1	1,242,368	2,350	2,520	450,163	0.93
24	Nyamambuka Coop Society	1	984,045	1,862	1,843	344,660	0.73
25	West Acholi Cooperative	1	750,953	1,421	1,443	269,245	0.56
26	Lyemibuza United Farmers	1	712,520	1,348	1,327	249,063	0.53
27	Dabani Limited	1	658,679	1,246	1,204	227,765	0.49
28	Laurdels Options Ltd	1	381,830	722	724	136,742	0.28
29	PAROCOT Ltd	1	370,366	701	693	131,559	0.28
30	East Acholi Cooperative	1	275,765	522	520	96,313	0.21
31	Meena Industries	1	157,501	298	300	56,964	0.12
32	SAARI		1,800	3	3	682	0.00
Total			134,276,041	254,036	243,259	47,577,329	100

Source: ACE Records

Annex II: Uganda Cotton Lint Buyers and Destinations (2011/12)

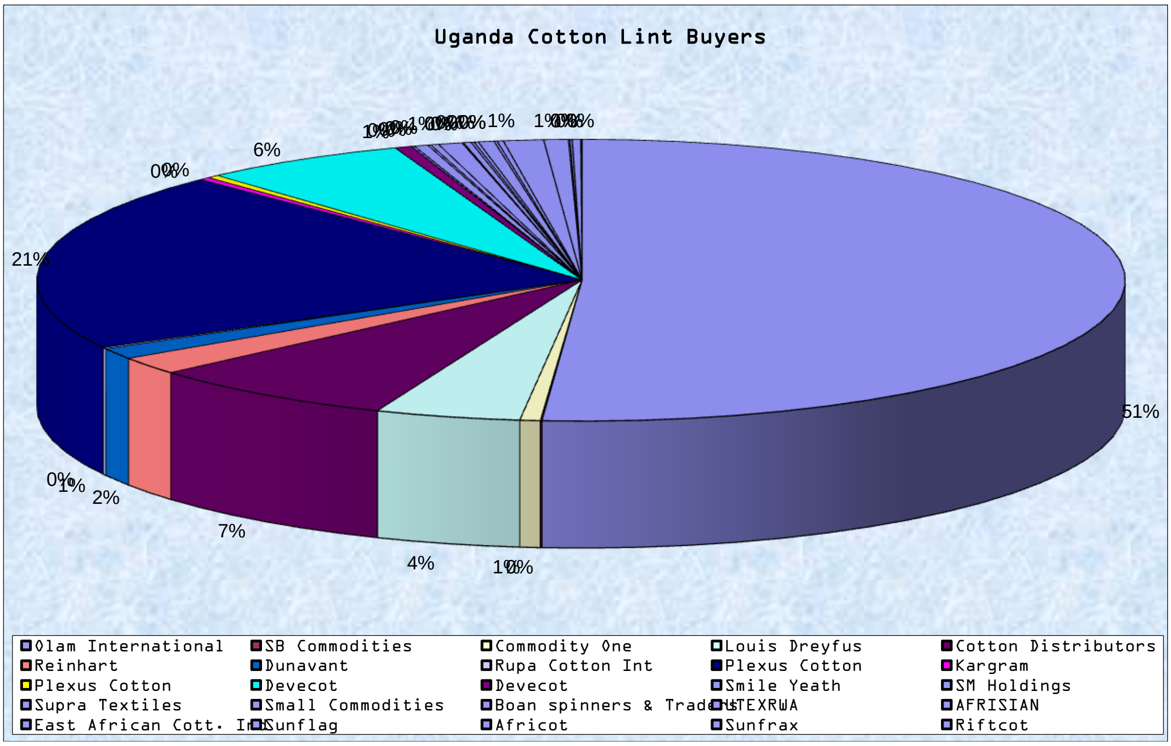
Buyer	Country	Bales	Lint
Olam International	Singapore	112,253	20,424,775
SB Commodities	Singapore	100	22,534
Commodity One	Thailand	1,324	293,083
Louis Dreyfus	Switzerland	9,417	1,811,148
Cotton Distributors Inc	Switzerland	16,365	2,920,452
Reinhart	Switzerland	4,452	959,023.90
Dunavant	Switzerland	2,800	542,471.0
Rupa Cotton Int	Switzerland	300	61,221.0
Plexus Cotton	United Kingdom	45,262	9,318,411
Kargram	United Kingdom	693	131,559
Plexus Cotton	Germany	780	155,971
Devecot	South Africa	13,385	2,585,803
Devecot	France	1,100	222,570
Smile Yeath	Japan	200	37,139
SM Holdings	Phillipines	907	168,425
Supra Textiles	China	200	38,539
Small Commodities	China	516	102,506
Boan spinners & Traders	Mauritius	1,550	284,339
UTEXRWA	Rwanda	100	22,561
AFRISIAN	Tanzania	496	94,252
East African Cott. Ind	Kenya	200	34,158
Sunflag	Kenya	275	48,633
Africot	Kenya	1,020	193,224
Sunfrax	Kenya	200	38,540
Riftcot	Kenya	400	76,018
Nyanza Textiles	Uganda	2,600	544,591
Phenix Logistics	Uganda	1,593	304,460
Nile Agro Ind	Uganda	100	19,260
Anik Ind	Uganda	150	30,995
Mutuuma Comm Agencies	Uganda	550	100,870
Nile Surgical	Uganda	80	15,478
Total		**219,368**	**41,603,009.9**

Lint Destinations 2011/12 Season

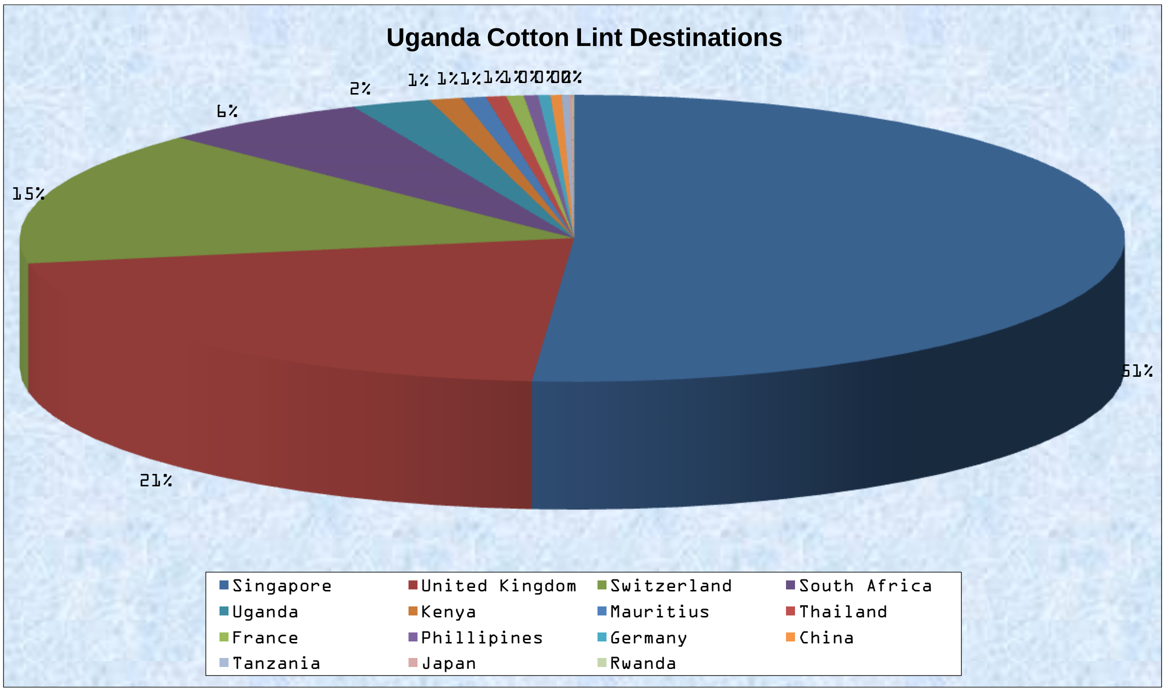
Destination	Bales
Singapore	112,353
United Kingdom	45,955
Switzerland	33,334
South Africa	13,385
Uganda	5,073
Kenya	2,095
Mauritius	1,550
Thailand	1,324
France	1,100
Phillipines	907
Germany	780
China	716
Tanzania	496
Japan	200
Rwanda	100

Source: ACE Ginnery Data

Annex II Uganda Cotton Lint Buyers (2011/12)



Uganda Cotton Lint Destinations (2011/11)



Annex III Installed Ginning Capacity

ed Capacity				
Ginnery	**Gin Stands**	**Capacity (Bales)**	**Make (Gin)**	**Owner**
Aboke	18	13,000	Platt	Rafiki Cotton Company Ltd
Aduku	20	14,500	Platt	Twin Brothers Ltd
Arapai	18	13,000	Platt	Kumi Cotton Company Ltd
Balawoli	30	22,000	Platt	Balawoli Cotton Ginners
Bamunanika	16	12,000	Platt	COPCOT (EA) Ltd
Bugema	3	54,000	Saw Gin	North Bukedi Cotton Company Ltd
Bulumba	22	16,000	Platt	Busoga Growers Cooperative Union
Busembatia	20	15,000	Platt	Pramukh Agro Industries Ltd
Bushenyi	20	15,000	Nipha	Bushenyi Cotton Company Ltd
Busolwe	25	18,000	Platt	South Base Agro Industries Ltd
Coo-Rom	14	10,000	Platt	West Acholi Cooperative Union
Dabani	20	14,500	Platt	Bestlines Ltd
Hoima	20	14,500	Platt	Olam (U) Ltd
Iceme	56	48,000	Bajaj Standard	Dunavant (U) Ltd
Iki Iki	28	20,000	Platt	North Bukedi Cotton Company Ltd
Jaber	19	25,000	Bajaj Jumbo	South Base Agro Industries Ltd
Kabole	22	16,000	Platt	North Bukedi Co-operative Union Ltd
Kabulubulu	20	14,500	Platt	Dunavant (U) Ltd
Kachumbala	30	22,000	Platt	CN Cotton Ltd
Kasese-WUCC	30	40,000	Bajaj EL	Western Uganda Cotton Company Ltd
Kibuku	30	27,000	Jadhao EL	Olam (U) Ltd
Kiyunga	0	-	-	Mutuma Commercial Agencies
Kitgum	30	22,000	Platt	East Acholi Cooperative Union Ltd
Ladoto	30	22,000	Nipha	Pramukh Agro Industries Ltd
Lukhonge	20	14,500	Nipha	Lukhonge Cotton Co. Ltd
Luzinga	22	16,000	Platt	Bon Holdings Ltd
Masindi	20	18,000	Jadhao Jumbo	Bunyoro Growers Cooperative Union
Mukhongoro	22	16,000	Platt	Kumi Cotton Company Ltd
Nakasongola	4+14DR	45,000	Saw Gin	Dunavant (U) Ltd
Nakivumbi	42	30,500	Armstrong	Bon Holdings Ltd
Ngetta	30	22,000	Platt	Lango Cooperative Union
Nyakatonzi	30	22,000	Platt	Nyakatonzi Growers Cooperative Union
Nyakesi	30	22,000	Platt	NOVO Enterprises Ltd
Odokomit	20	26,500	Bajaj Jumbo	NILE agro Industries
Pakwach	32	29,000	Jadhao Jumbo	AJAY (U) Ltd
Parombo	30	40,000	Bajaj EL	Rwenzoori Cotton Ginners Ltd
Rhino Camp	40	29,000	Platt	UNACOFF
Rwenzori	30	40,000	Bajaj Standard	Rwenzori Ginners Ltd
Soroti	10	14,000	Bajaj Jumbo	Country Farm Ltd
apacity		**872,500**		

Platt/Nipha Rated at 2.0 bales/gin/shift (8hr)

Source: CDO: Last updated during the 2009/10 Season.

I

Annex IV: Contacts For Ginners-2011/2012 Season

	Ownership / Operator	Location	Postal Address	Contact Person	Tel. Contact	Fax
1	AFRICOT	Aboke - Apac				
2	Twin Brothers Ltd	Aduku(Apac)	PO Box 172, Lira	Mr Opio Alfred	077 2636336	-
3	Kumi Cotton Co. Ltd	Arapai - Soroti	P.O Box 996 Jinja	Mr Kaka Yogesa/Karan	077 2729623/2762671	-
4	Balawoli Cotton Ginnery Ltd	Balawoli - Kamuli	P.O Box 196, Kamuli	Mr Sarayona/Mubarak	077 2786007	0414-234335
5	Cottfield Ltd	Pallisa		Igor Kuzmenko	0782 909858	
6	N.Bukedi Cotton Company	Bugema- Mbale	P.O Box 2496, Mbale	Mr Bruce Robertson	045 - 34023/077 2777123	0454 - 35215
7	Busoga Growers Co-op. Un	Bulumba - Kamuli	P.O Box Private Bag Kamuli	Mr Moses Ngobi	077 -2 586975	-
8	Pramukh Agro Industries	Busembatia-Bugweri - Iganga	P.O Box 996, Jinja	Mr Magnbhai Patel/Karan	075 2221166/077 2762671	0434 - 122523
9	Bushenyi Cotton	Bushenyi	P.O Box 996, Jinja	Magan Patel/Piyush Patel	0772 222959/0757 701964	0434 - 122523
10	South Base Agro Industries	Busolwe - Tororo	P.O Box 22787, Kla	Mr K. Kinaliwala	077- 2725626	0414- 343563
11	West Acholi Co-op Union	Coo-rom -Gulu Town	P.O Box 225, Gulu	Mr Okech Johnson	077-2605321	-
12	Dabani Ginners Ltd	Dabani - Busia				
13	Olam (U) Ltd	Hoima Town - Hoima	P.O Box 1914, Kla	Mr. Ratilal	0757 200923	
14	Dunavant Ltd	Iceme - Apac	P.O Box 5103, Kla	Mr Pakku Patel	041-4345242/071 507682/031 2263021	0414- 345193
15	MEENA Industries Ltd	Kobulubulu-Kaberamaido	P.O Box 5103, Kla	Mr Magnbhai Patel	041-4345242/071 507682/031 2263021	0414- 345193
16	N.Bukedi Cotton Company	Iki Iki - Pallisa	P.O Box 2496, Mbale	Mr Bruce Robertson	045-34023/077 2777123	0455 - 35125
17	N.Bukedi Co-operative Union	Kabole - Pallisa		Bharat Patel	0772 918842	-
18	Mutuma Commercial Agencies	Kiyunga-Kamuli	P.O Box 12835 Kampala	Mr Amos Mugisha	077 2430181	0434-23808
19	C.N Cotton Enterprises Ltd	Kachumbala - Kumi	P.O Box 231, Soroti	Mr Patel & Karan	077 2612777/077 2762671	0434 - 122522
20	Nyakatonzi Growers Coop.	Kasese Town	P.O Box 32, Kasese	Mr Bwambale Adam	0483 - 44370/077 2486575	04834 - 44135
21	Western Uganda Cotton	Kasese - Mbarara Rd	P.O Box 26747, Kampala	Mr Bruce Robertson	045-34023/077 2777123	0414 4532015
22	Olam (U) Ltd	Kibuku Tirinyi-Pallisa	P.O Box 465, Tororo	Mr Pritesh R	077 2918822	0454 45100
23	East Acholi Coop Union	Kitgum Town	P.O Box 8506, Kla	Ogen Bob Alberto	0777 073631	0414-341306
24	Paramukh Agro. Ind Ltd	Ladoto Pallisa-Kumi	P.O Box 996, Jinja	Mr Magnbhai Patel/Karan	075 2221166/077 2762671	0434 - 122523
26	Lukonge cotton Company Ltd	Lukhonge - Mbale		Mr Bharat Patel	0772 918842	
27	Bon Holdings Ltd	Luzinga-Jinja - Mbale	P.O Box 3794, Kla	Mr Hitesh	075-2770033	0414-344218
28	Bunyoro Growers Co-op	Kihande - Masindi	P.O Box 22575, Kla	Mr Barugahara B	077 2513775/077 2524045	-
29	Kumi Cotton Co. Ltd	Mukhongoro - Kumi	P.O Box 996 Jinja	Mr Kaka Yoges/Karan	077 2729623/2762671	-
30	Bon Holdings Ltd	Nakivumbi - Iganga	P.O Box 3794, Kla	Mr Hitesh	075-770033	0414-344218
31	Lango Co-op Union Ltd	Ngetta - Lira	P.O Box 50, Lira.	Mr Patrick Oryang	041- 531489	0414-531489
32	Novo Enterprises	Nyakesi - Tororo	P.O Box 101, Tororo.	Mr Mitesh	0772 200449	0454-45093
33	AJAY (U) Ltd	Pakwach - Nebbi		Hajisung/Kashyap Patel	0755 900701/0716 706666	
34	Rwenzori Cotton Ginners	Parombo	P.O Box 33771, Kampala.	Mr.Amdan Khan	077 2 422492	0483 444713
35	UNACOFF	Rhino Camp	P.O Box 1837, Kampala.	Mr Richard Parwoth	077 2 428198	039 2 865812
36	Rwenzori Cotton Ginners	Kasese - Busongora	P.O Box 164, Kasese.	Mr Amdan Khan	0483-444713/077 2422492	0483 444475
37	Country Farm	Soroti Town	P.O Box 730 Soroti	Nilesh/Piyush Pintu	0712 894087/919 825 051351	-

Source: CDO

Annex V: Seed Cotton-District Production Statistics (Since 2000)

Districts	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Abim	-	-	-	-	-	-	-	1,450	-	-	-	22,281
Adjumani	13,368	31,080	15,270	5,094	599,929	76,985	27,935	4,695	9,802	1,770	2,000	-
Agago	-	-	-	-	-	-	-	-	-	-	1,865,823	4,662,125
Alebtong	-	-	-	-	-	-	-	-	-	-	1,375,242	3,208,328
Amolatar	-	-	-	-	-	1,527,623	1,798,822	275,964	773,320	306,736	830,114	1,757,537
Amuria	-	-	-	-	-	-	477,173	4,631	25,572	16,450	52,620	82,935
Amuru	-	-	-	-	-	-	27,275	-	10,910	108,662	55,712	1,549,928
Apac	4,002,261	3,901,408	3,362,983	6,814,504	13,778,368	4,235,293	2,959,564	732,313	1,389,611	865,553	1,483,640	3,155,647
Arua	109,528	341,792	30,400	2,257,932	1,385,569	345,160	1,560,430	276,641	65,502	21,544	245,445	551,467
Budaka	-	-	-	-	-	-	-	646,536	1,092,603	698,539	1,408,167	1,744,173
Bugiri	126,730	451,416	275,363	726,706	938,640	274,126	336,922	416,339	872,407	305,052	724,543	1,289,525
Bukedea	-	-	-	-	-	-	-	45,374	448,787	69,858	897,112	1,745,453
Buliisa	-	-	-	-	-	-	1,435,601	823,621	1,269,641	752,965	1,908,090	2,222,542
Bushenyi	868,160	828,640	1,361,718	1,906,018	3,124,226	1,357,645	1,804,207	1,372,997	2,101,022	857,357	1,951,465	-
Busia	71,680	170,939	178,999	1,899,455	2,288,061	693,552	1,125,386	352,770	657,810	282,162	506,973	902,941
Butaleja	-	-	-	-	-	1,641,381	1,748,495	1,008,651	1,808,647	882,629	1,897,522	2,175,166
Bulambuli	-	-	-	-	-	-	-	-	-	-	-	805,245
Buyende	-	-	-	-	-	-	-	-	-	-	415,991	1,583,709
Dokolo	-	-	-	-	-	-	623,778	110,330	144,000	92,740	288,220	797,813
DRC	-	-	-	-	-	-	-	-	1,236,365	1,406,090	1,623,091	2,684,232
Gomba	-	-	-	-	-	-	-	-	-	-	-	28,510
Gulu	229,081	140,952	89,738	45,675	240,773	41,336	35,540	96,705	11,790	12,785	370,367	1,853,983
Hoima	184,035	490,551	417,977	619,548	1,584,500	839,535	1,093,595	737,228	1,827,826	781,491	1,016,797	1,593,170
Iganga	1,017,878	1,899,430	2,368,217	5,049,874	5,022,597	1,536,003	677,533	318,287	637,745	178,120	432,083	926,001
Jinja	-	-	-	9,245	43,299	4,220	4,311	-	-	-	-	-
Kaberamaido	-	165,063	86,823	39,475	112,471	53,069	106,365	143,230	17,670	11,212	25,271	152,807
Kabong	-	-	-	-	-	-	-	26,310	20,906	12,660	270,330	232,255
Kaliro	-	-	-	-	-	2,991,438	2,973,620	1,697,835	4,789,915	819,314	3,767,775	4,439,639
Kamuli	3,738,041	4,328,035	3,448,625	5,126,710	9,142,637	767,873	449,186	1,015,925	929,657	181,805	136,695	128,143
Kamwenge	-	163,870	522,321	1,400,015	1,731,761	702,239	641,075	226,930	668,036	86,415	529,811	1,650,142
Kanungu	-	-	-	-	44,470	2,535	-	-	-	-	-	4,335
Kasese	7,605,421	9,624,879	9,381,759	14,893,777	18,568,304	10,087,470	7,921,112	9,824,871	12,150,494	8,648,228	15,166,850	21,047,311
Katakwi	7,721	39,645	53,748	8,700	425,361	148,700	156,420	462	8,172	-	-	1,180
Kayunga	-	-	-	119,275	60,820	3,401	14,368	-	-	16,060	-	20,500
Kibaale	-	4,246	109,795	107,355	151,495	5,610	30,333	-	-	28,795	17,980	200,741
Kiboga	1,450	-	4,814	49,203	95,723	20,586	6,635	-	-	4,420	15,665	204,315
Sub Total	17,975,354	22,581,946	21,708,550	41,078,561	59,339,004	27,355,780	28,035,681	20,160,095	32,968,210	17,449,412	39,281,394	63,424,079

Annex V (Continued from Page 41)

No.	Districts	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/2012
B/F From Page 41		17,975,354	22,581,946	21,708,550	41,078,561	59,339,004	27,355,780	28,035,681	20,160,095	32,968,210	17,449,412	39,281,394	63,424,079
37	Kibuku	-	-	-	-	-	-	-	-	-	-	3,259,825	4,646,328
38	Kiryandongo	-	-	-	-	-	-	-	-	-	-	46,960	292,505
39	Kitgum	3,546,999	3,335,785	982,206	625,491	1,446,312	563,354	1,703,359	618,085	1,181,905	1,476,633	3,515,807	9,060,983
40	Kole	-	-	-	-	-	-	-	-	-	-	438,118	1,317,229
41	Kotido	120	6,000	-	-	26,315	79,700	152,015	-	-	-	-	-
42	Kumi	256,994	307,616	479,716	1,718,955	4,870,320	2,081,507	2,926,941	117,163	582,078	215,267	882,823	2,371,065
43	Kyenjojo	-	-	-	16,080	61,730	3,340	4,300	-	7,770	1,700	4,600	84,550
44	Lamwo	-	-	-	-	-	-	-	-	-	-	1,186,462	2,486,311
45	Lira	8,772,660	8,394,392	6,646,946	5,340,610	11,095,454	3,058,275	4,659,780	1,635,385	3,726,907	4,119,422	4,577,032	7,020,362
46	Luuka	-	-	-	-	-	-	-	-	-	-	29,445	235,864
47	Manafwa	-	-	-	-	-	-	81,640	5,868	124,318	94,874	214,183	147,280
48	Luweero	520	346	73	-	20,550	1,172	-	-	-	-	-	-
49	Masindi	882,267	1,081,845	1,177,231	2,326,393	4,021,495	1,216,279	610,359	191,601	361,490	62,465	74,972	176,750
50	Mayuge	-	-	-	208,615	266,937	11,623	24,275	-	8,932	2,720	19,580	47,837
51	Mbale	1,799,833	783,490	538,975	1,007,975	1,896,896	812,968	331,394	99,442	282,765	407,204	316,265	470,493
52	Mbarara	-	-	-	-	23,750	3,540	-	-	-	-	-	-
53	Mityana	-	-	-	-	-	-	-	-	-	-	-	19,935
54	Moroto	5,782	10,000	-	49	-	-	-	-	-	-	-	-
55	Moyo	10,281	10,856	5,530	42,301	437,610	96,010	64,335	9,180	418	-	6,748	-
56	Mubende	-	-	-	-	-	-	-	-	-	-	-	500,828
57	Mukono	12,159	-	-	-	-	-	-	-	-	-	-	-
58	Nakasongola	143,829	465,637	182,050	835,429	1,340,265	623,893	734,384	99,382	621,317	113,310	258,905	1,388,349
59	Namutumba	-	-	-	-	-	-	1,407,172	292,109	1,064,691	373,004	927,553	1,947,701
60	Nebbi	6,991,416	11,419,931	8,212,099	12,006,277	15,890,158	6,786,069	5,800,685	5,499,965	5,365,075	3,781,231	9,373,585	12,643,877
61	Ngora	-	-	-	-	-	-	-	-	-	-	31,720	97,336
62	Nyadri	-	-	-	-	-	-	-	-	52,385	77,698	-	-
63	Nwoya	-	-	-	-	-	-	-	-	-	-	91,198	1,864,691
64	Otuke	-	-	-	-	-	-	-	-	-	-	49,130	160,868
65	Oyam	-	-	-	-	-	-	5,006,263	735,421	1,993,989	1,198,571	2,097,278	4,311,907
66	Pader	-	786,398	658,954	201,061	97,470	203,768	1,162,887	668,441	1,773,239	1,502,379	3,211,522	3,461,199
67	Pallisa	11,113,985	9,973,528	13,929,909	11,273,719	17,065,466	7,403,435	10,727,018	3,503,714	12,424,242	4,754,391	4,007,595	8,402,404
68	Rubirizi	-	-	-	-	-	-	-	-	-	-	-	2,195,089
69	Sembabule	-	-	4,984	2,450	-	-	-	-	-	-	-	-
70	Serere	-	-	-	-	-	-	-	-	-	22,450	368,165	828,358
71	Sironko	-	1,207,068	461,554	872,494	2,155,823	1,284,762	1,919,861	204,856	923,940	495,656	1,162,420	1,542,730
72	Soroti	350,916	170,614	538,365	742,468	813,595	488,597	946,053	173,291	396,974	66,624	89,759	237,949
73	Tororo	3,133,792	3,298,224	2,440,083	5,960,311	9,409,891	2,189,852	2,241,897	1,070,792	2,036,202	940,472	2,112,191	2,796,867
74	Yumbe	-	64,349	12,010	85,631	575,673	113,595	141,170	42,250	29,170	5,190	8,540	60,102
75	Zombo	-	-	-	-	-	-	-	-	-	-	-	34,215
	Total	37,021,553	41,316,079	36,270,685	43,266,309	71,515,710	27,021,739	40,645,788	14,966,945	32,957,807	19,711,261	38,362,381	70,851,962
	G/Total	**54,996,907**	**63,898,025**	**57,979,235**	**84,344,870**	**130,854,714**	**54,377,519**	**68,681,469**	**35,127,040**	**65,926,017**	**37,160,673**	**77,643,775**	**134,276,041**

Source: ACE & CDO Records

	Ginnery	Operational Status	Ginning Certificate	Fire Equipment	Weighing equipment	Moisture Metre	Sampling Device	Ginnery Hygiene	GOT Test (Lint %)
1	ABOKE	No Activity	Acquired	Sufficient & serviced	Checked and certified	Not Issued	Installed	Poor	35.64
2	ADUKU	Ginning	Acquired	Sufficient & serviced	Checked and certified	Functional	Installed	Fairly kept	Not Done
3	BALAWOLI	Bale stocks	Acquired	Sufficient & serviced	Checked with certificate	Not Issued	Not Installed	Poor	35.6
4	BULANGIRA	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Functional	Installed	Fairly kept	33.81
5	BULUMBA	No Activity	Not Acquire	Sufficient & serviced	Not Checked	Not Issued	Not Installed	Fairly kept	Not Done
6	BUSEMBATIA	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Functional	Removable	Fairly kept	35.33
7	BUSHENYI	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked and certified	Not Issued	Removable	Fairly kept	35.45
8	BUSOLWE	Bale stocks	Acquired	Used up to fire fight	Checked and certified	Functional	Removable	Fairly kept	36.22
9	COO-ROM	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Not Issued	Installed	Fairly kept	35.56
10	DABANI	Seed stocks	Acquired	Sufficient & serviced	Checked and certified	Functional	Removable	Fairly kept	35.42
11	HOIMA	No Activity	Acquired	Sufficient & serviced	Checked and certificate	Functional	Installed	Fairly kept	Not Done
12	ICEME	Ginning	Acquired	Sufficient & serviced	Checked and certificate	Functional	Installed	Fairly kept	35.28
13	IKI-IKI	No Activity	Acquired	Sufficient & serviced	Checked but no certificate	Not Issued	Not Installed	Fairly kept	36.69
14	JABER	Bale stocks	Acquired	Sufficient & serviced	Checked and certified	Functional	Installed	Fairly kept	36.69
15	JITCO	Bales & Seed stocks	Acquired	Used up to fire fight	Checked with certificate	Not Issued	Installed	Fairly kept	35.42
16	KABOLE	No Activity	Acquired	Sufficient & serviced	Needs re-calibration	Not Issued	Not Installed	Fairly kept	35.47
17	KABULUBULU	Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Functional	Installed	Fairly kept	36.17
18	KACHUMBALA	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Functional	Installed	Fairly kept	36.37
19	KASESE-WUCC	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Functional	Installed	Fairly kept	35.35
20	KIBUKU	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Functional	Not Installed	Fairly kept	35.46
21	KITGUM	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Not Issued	Not Installed	Poor	33.56
22	KIYUNGA	Bale stocks	Acquired	Sufficient & serviced	Checked and certified	Not Issued	Removable	Fairly kept	35.5
23	LADOTO	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Not Issued	Installed	Poor	35.67
24	LUKHONGE	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Not Issued	Not Installed	Poor	35.57
25	MASINDI	Seed stocks	Acquired	Sufficient & serviced	Checked and certified	Not Issued	Not Installed	Fairly kept	Not Done
26	MUKONGORO	No Activity	Not Acquire	Not serviced	Checked but no certificate	Not Issued	Not Installed	Fairly kept	Not Done
27	NAKIVUMBI	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Functional	Installed	Fairly kept	35.33
28	NGETTA	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked and certified	Functional	Installed	Fairly kept	Not Done
29	NYAKATONZI	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked and certified	Functional	Installed	Fairly kept	35.56
30	NYAKESI	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Functional	Broken	Fairly kept	34.95
31	ODOKOMIT	Bales & Seed stocks	Acquired	Sufficient & serviced	Checked but no certificate	Not Issued	Installed	Fairly kept	35.43

Annex VI: Status of Ginnery Requirements-2011/12 Season

Source: ACE Records