

The Cotton Company of Zimbabwe

The ginner's' perspective

The Cotton Company

- Cottco Zimbabwe
- Scottco
- Quton Seed Company
- SeedCo Zimbabwe
- Cottco International Mauritius
- Cottco Uganda
- Cottco Mozambique

Cottco Zimbabwe

- 410 000 bales in 2004/2005
- Planting seed (Quton)
- Inputs
- Spinning, Weaving, Knitting
- SeedCo

Zimbabwe Perspective

- Interest rates 160%
- Inflation of 127%
- Exchange rate managed at Z\$ 6 200 to US\$1
- Parallel rate Z\$ 23 000: US\$1
- No AGOA
- Political risk

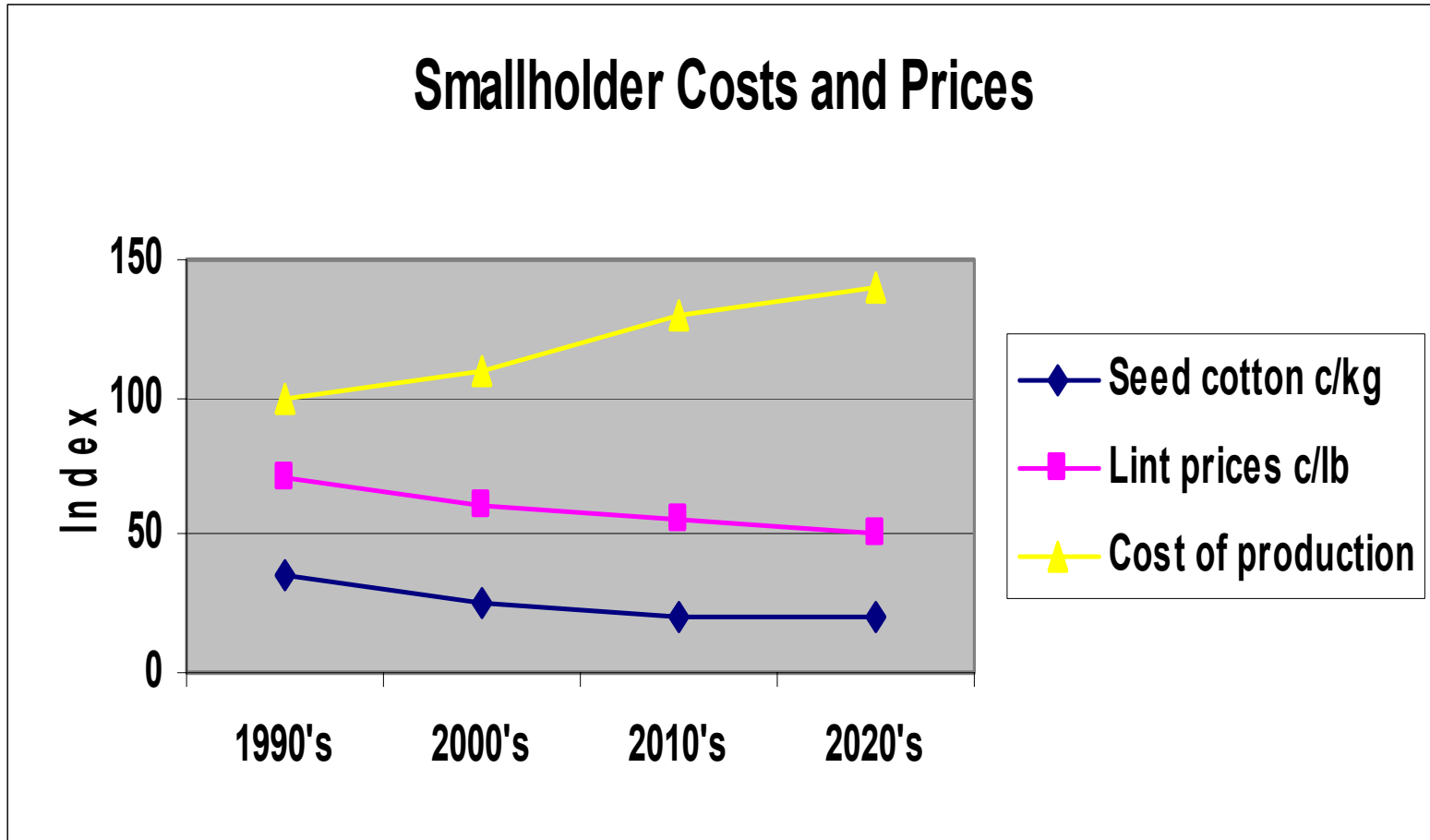
Ginners Perspective

- Legislation
- Associations: Ginners, Producers, Textilers, Garment Manufacturers
- Research
- Seed Supply
- Quality Standards
- Branding

Ginners Perspective

- Good governance
- Macro economic policies to encourage investment, value addition and exports
- Investment in human resources
- Fiscal policy: Low inflation, low interest, realistic exchange rates
- Gin quickly

Ginners' Perspective



Ginners perspective

- Subsidies at Farm, gin or market level are unacceptable to African economies heavily dependent upon cotton
- Government intervention to encourage downstream investment in value addition is understandable and encouraged but not at the expense of the grower or ginner

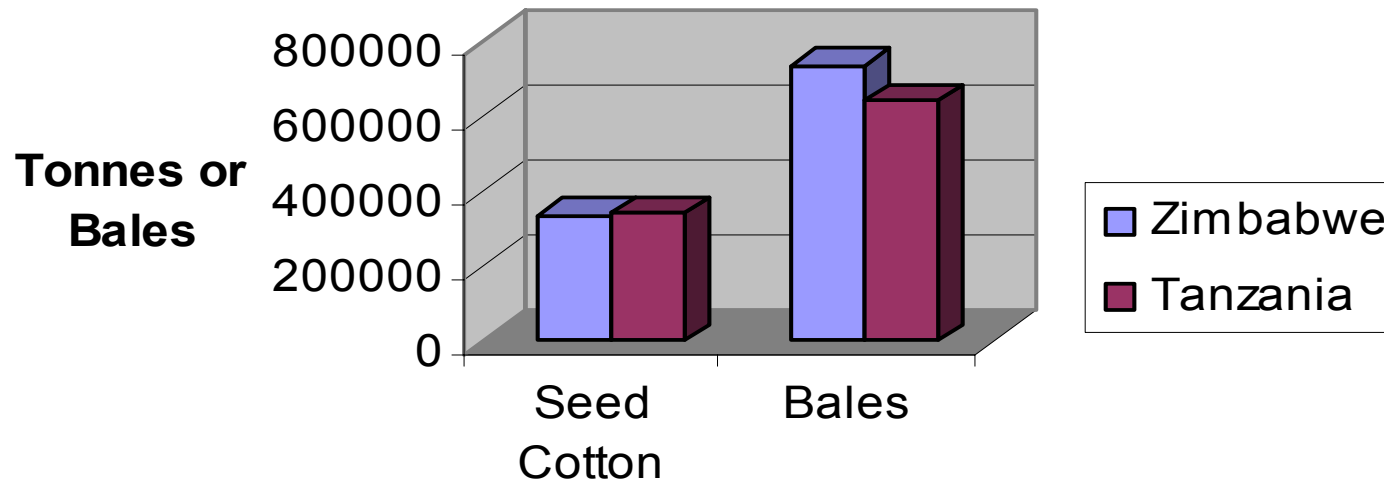
Ginners Perspective

Zimbabwe: Growth In Ginning Capacity

	1995	2000	2005
Ginners	2	3	11
Capacity	300000	350000	500000
Crop	100000	353000	200000
Percent of Capacity	33%	100%	40%

Ginners Perspective

Zimbabwe and Tanzania: Seed Cotton and Lint Bales 2004 Crop



Ginners' Perspective

- 98 000 bales at average price of US50c/lb was worth an extra US\$20 million
- Difference is the lint out-turn of 41% versus 35%

Ginners Perspective

- Selling Seed
- In 2004/2005, 300 000 hectares on 5 000 tonnes of seed
- In 1999/2000 a crop of 300 000 hectares was grown on 8 500 tonnes of seed
- Investment in research and development
- Biotechnology in adapted African material

Ginners perspective

- Solid foundation
- Legislation governing industries
- Quality
- Seed
- Research, extension, agronomy, regional cooperation
- Realistic investment in ginning, encouragement of downstream investment

The Cotton Company of Zimbabwe

- Thank you
- RATES and all other organisers of conference