



Swaziland Cotton Board

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PERFORMANCE REPORT FOR THE QUARTER ENDED 30TH JUNE 2016

BACKGROUND INFORMATION

Swaziland Cotton Board is a Public Enterprise under the Ministry of Agriculture. It was established by Cotton Act No. 26 of 1967. It is controlled and monitored as a Public Enterprise, (Public Control & Monitoring Act, 1989).

VISION

To be a world class cotton enterprise that is financially sustainable to improve the economic status of Swaziland.

MISSION

The Cotton Board is a Public Enterprise with the objective of improving livelihoods through promoting cotton production, processing and marketing in Swaziland by providing growers with high yielding quality varieties, providing innovative extension advice, and making available to cotton processors a quality product.

MANDATE

- Regulate Cotton Industry in Swaziland
- Grow the Swaziland Cotton Industry
- Promote Cotton Production in Swaziland
- Provide Market and Marketing intelligence
- Provide Technical Advice to Farmers.

INTRODUCTION

Activities for the reporting period included: The distribution of inputs and packaging materials, carrying out crop assessments, cotton Buying, Preparation for ginning, Crop management at Buseleni Farm, Conducting Audit and Refurbishments of Ginnery buildings following the storm Damage that occurred in December, 2015.

We also participated in various workshops and Bio Safety awareness workshop for legislators held in Pretoria, South Africa. We also assisted in the distribution of Hay Bales for Swaziland Dairy Board and during the Quarter under review 371 Hay bales were sold to the Farmers.

INPUT DISTRIBUTION STOCK BALANCES

We continued to distribute inputs to farmers from chemicals to picking and baling materials following the farmers activities of picking and bailing their crops in preparation for selling their produce to the ginnery. Major inputs distributed included : Mulan used to control Aphids and Dimethoate used to control Mealy Bugs. Whilst packaging materials distributed included: Woolpack for baling cotton, Picking Bags for harvesting and cotton twine used to saw the cotton bales. and details Chemicals distributed during the reporting period are indicated on the Table 1.

TABLE 1 SUMMARY OF DISTRIBUTED INPUTS AND PACKAGING MATERIALS

ITEM	OPENING BALANCE	RECEIVED	DAMAGED	SOLD/ DISTRIBUTED	BALANCE AT 30TH JUNE,2016
Woolpacks	7982			272	7710
Picking Bags	7157			36	7121
Picking Bags 2015	7872			262	7610
Alba 5kg	2631	20	131		2520
Alba 10 kg	1078	20	392		706

Bale Wrappings	47				47
Bale Ties	16800				16800
Polypropylene Bags 5kg	1987				1987
Polypropylene Bags 10kg	1206				1206
Polypropylene Bags 80kg	35261	35261			0
Fastac 1 litre	35			32	3
Dimethoate 500 ml	0	191		161	30
Biomectin 1 litre	88			16	72
Kalach 700wg 1 kg	346			10	331
Cypermethrin 1 litre	53	50		58	45
Quattro Buff	18				18
Jute Bags	6516			20	6496
Decis 1 litre	6			4	2
Roundup 1 litre	37			23	14
Deltrametrin 1 litre	49			12	37
Mulan 50g	0	430		361	69
Buprofezin 25g	0	165		28	137
Cotton Twine	548			6	542
Ulva + Sprayers	24				24

CROP ASSESSMENTS

Crop assessments were carried out throughout the cotton growing belt with an objective of finalizing crop estimates for the season. Crop stage ranged from maximum boll set to Maturity as a result farmers were busy spraying, Picking and baling their crops. Drought remained the major challenge

affecting the crop. Sap sucking pests also affected the crop throughout the country. These pests included Mealy Bugs and Aphids as evident by the distribution of Dimethoate and Buprofezin used to control mealy Bugs and agro-prid/ Mulan used in the control of Aphids.

Crop estimates stood at 170 metric tonnes if farmers will keep the fields away from livestock as in many areas livestock is already loose following the severe drought that affected the grazing lands.

COTTON BUYING

Seed cotton Buying commenced on the 13th June following the price announcement by the Honorable Minister of Agriculture on the 10th June, 2016 indicating a 2.568 percent increase from the previous year. This follows successful negotiations with our Lint customer (Spintex Swaziland Limited). The price structure compared to the previous season is indicated on Table 2.

TABLE 2 SEED COTTON PRICE BREAKDOWN

GRADE	PRICE/KG (SZL)	
	2015	2016
A+	5.85	6.00
A	5.70	5.85
B	5.30	5.45
C	4.90	5.05
D	4.55	4.70
E	4.15	4.30
BSG	3.75	3.90

The quality profile of the purchased crop indicated that 90 percent fell on A Grade, 4 on B grade and the rest shared between the rest of the grades. Details shown on Table 3.

TABLE 3 SEED COTTON QUALITY PROFILE

GRADE	NUMBER OF BALES	SEED COTTON MASS (kg)	PERCENTAGE	CROP VALUE (E)
A+				
A	177	31228	95.70	182,683.80

B	11	1252	3.84	6,823.40
C	2	152	0.47	767.60
D	0	0	0	
E	0	0	0	
BSG	0	0	0	
TOTAL	190	32632	100	190,274.80

The value of the crop stood at E190, 274.80 with 91,445.59 paid to the growers following the payment of their seasonal loans. Cotton levy collected stood at 3,426.36.

PREPARATION FOR GINNING

Plans for ginning indicated that we will have to wait for the whole crop to come in before we can start due to the size of the crop. However, Ginning Materials have been secured and Ginning Staff notified of timing for ginning. It is envisaged that ginning will only last for one week since the daily ginning stand at 34 tons per day.

CREDIT REVOLVING FUND

The fund disbursed a total of E51, 772 during the reporting period increasing the cumulative balance to E2, 532,341. Recoveries stood at 109,280 leaving an outstanding balance of 2,466,197. The drought continued to deplete the fund as farmers failed to service their loans due to continuous crop failure. The performance is indicated below:

CARRY-OVER PREVIOUS QUARTER	LENDINGS FOR THE QUARTER	RECOVERIES	BALANCE AT 30TH JUNE,2016
2,532,341	51,772	109,280	2,466,197

BUSELENI FARM

Cotton picking was the major activity for the reporting period. Already 80 bales weighing 7000 kg was picked and delivered at the ginnery valued at E40, 950. This income was used to pay for seasonal input loan. Other activities included maintaining the perimeter fence and general maintenance of roads. An average of 12 seasonal labourers was engaged for the picking operation.

RENOVATIONS OF THE GINNERY

Rehabilitations of the Buildings devastated by the storm in December, 2015 were satisfactory completed during the reporting period. The Contractor PROTECHNOLOGY CIVIL AN ENGINEERING handed over the work signaling completion.

ADMINISTRATIVE AND STAFF ISSUES

The Operations Manager resigned from the Board employ on the 31st May, 2016. The Field Officer attended a training workshop conducted by Cardesa at Esibayeni Lodge held from the 30th May to the 3rd June, 2016. On the other hand the CEO and the Technical Manager participated in a Bio safety awareness workshop for Swaziland Legislators and Study Visit held in Pretoria, South Africa on the 11-14 May, 2016 conducted by NEPAD in conjunction with COMESA. Technical Manager also participated in The National Validation workshop for Intended Nationally determined contribution and Third Communication at Piggs Peak Hotel on 9 and 10th June, 2016 and the New Board of Directors underwent corporate governance training held at Sibane hotel on the 1st to the 3rd of June, 2016.

Board Committees were formed during the period and includes: Audit and Finance, Remuneration and Risk Committee.

FOCUS FOR THE NEXT QUARTER

1. Finalize Annual and Quarterly Reports
2. Continue with seed cotton buying
3. Cotton Ginning
4. Product Sales
5. Formulate the Board Charter
6. Draft guidelines for procedures - conduct of meetings, minutes and attendant matters
7. Attend to any other industry related business