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CABI South Asia

Opposite 1-A, Satellite Town, Data Gunj Bakhsh Road Rawalpindi.

Tele: 051-9290132, 9290332: Fax: 051-9290131

E-mail: cabisa@cabi.org



Cotton Value Chain: Skill Gap Analysis in Ginning Sub-sector

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KNOWLEDGE FOR LIFE



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List of Abbreviations

AMRI	Agriculture Mechanization Research Institute
APTMA	All Pakistan Textile Mills Association
EDB	Engineering Development Board
GOT	Ginning out turn
GST	General Sales Tax
IT	Information Technology
KCA	Karachi Cotton Association
KCE	Karachi Cotton Exchange
KSAs	Knowledge, Skills and Attitudes
MINFAL	Ministry of Food Agriculture and Livestock
MoIP&SI	Ministry of industries, Production & Special Initiatives
M.T.	Million Tonnes
NCGA	National Cotton Ginners Association
NPO	National Productivity Organization
NYCE	New York Cotton Exchange
PCCC	Pakistan Central Cotton Committee
PCGA	Pakistan Cotton Ginners Association
PCSI	Pakistan Cotton Standards Institute
R&D	Research and Development
SBP	the State Bank of Pakistan
SMEDA	Small and Medium Development Enterprises Development Authority
TCO	Textile Commissioner's Organization
TCP	Trading Corporation of Pakistan
TDAP	Trade Development Authority of Pakistan
UAE	United Arab Emirates
UNCTAD	United Nations Conference on Trade and Development

**Ghulam Ali****Coordinator commodities**

CABI South Asia
Opposite 1-A, Data Gunj Bakhsh Road
Satellite Town
Rawalpindi
Pakistan

Tel: +92(0) 51 9290332
Email: g.ali@cabi.org



Executive Summary

Ginning factories are placed at pivotal position in the cotton value chain. They are the major clients of the cotton growers and provide raw material to the textile and clothing industry and the oil mills, so millions of people in Pakistan have their livelihood dependent upon performance of this sector. However, this sector has tremendous potential for improvement and value enhancement as the ginning factories lack trained staff and continue to rely on the outdated technology. Improvement in the knowledge and skills of the people associated with the ginning sector will not only benefit the sector, but will also create value enhancement in both forward and backward linkages.

Keeping in view the importance of the ginning sector, in the cotton value chain, a study was conducted with the objective of identifying skill gaps in the ginning sub-sector. Qualitative method of investigation was employed in this study. Raw cotton was the major input in the process of ginning. This study found several issues related with seed cotton produced by the farmers. Around 60 percent of the respondents termed poor quality of cotton as the top most problem, they were facing. They pointed out that cotton usually contained high concentration of trash and other material. Contamination of cotton has adversely affected the performance of higher value added sectors along the cotton value chain, more particularly the export of cotton yarn. Beoparies (local buyer acting as agent of middleman) purchased cotton and then transport (usually through bull cart) it to centres which are generally run by middlemen who have connections with the ginning factories. Around 20 to 30 beoparies supply cotton to a middleman. Cotton procured by the middlemen is stocked in open places where it is fully exposed to sun heat, dust, dew and other contaminations. Annual loss incurred by the country range from US\$1.4 billion to \$3.0 billion due to contamination. The results showed that cotton produce was usually packed in jute/polypropylene bags and transported to the ginning factories through tractor trolleys or bull carts. These jute/polypropylene bags proved to source of contamination in the cotton. Furthermore, farmers did not bother to keep cotton of different varieties separate, eventually; individualistic characteristics of different cotton varieties are lost. Secondly, farmers need proper skills in picking, stocking, packing and transporting cotton.

Ginning out turn (GOT) is the yield of cotton lint in the process of ginning. GOT in Pakistan is very low as compared to India, and USA. The survey results show that the GOT ranges from 28 percent to 35 percent with mean value of 32.20 and Standard Deviation of 2.098. Only 30 percent of the sampled ginning factories have GOT 34 percent. According to survey eighty percent ginning factories were of the view that GOT had increasing trend over the couple of years whereas twenty percent factories reported it other way round. It is evident from that new cotton varieties were better with regard to GOT. Average loss in value of cotton during the process of drying and cleaning reported by the respondents, range from 2 to 5 percent with average of 4.30 percent. After cleaning, loss in value of cotton occurs during the process of ginning. Results show reported loss during ginning ranging between one percent and 8 percent, with average of 3.90 percent. However, actual loss was likely to be much higher as people engaged in the ginning lack any formal education or training. There was no evidence of any study on the productivity of human resource in the ginning sector. Results of this study did not show a promising situation. Low productivity was attributed to lack of skills, knowledge and attitude of the workers. Secondly, seth culture of management was also responsible for this phenomenon.

The ginners identified three major problems related with their production chain. First was the quality of cotton. As discussed earlier, cotton contains high concentration of moisture, trashes, and dust. Second was the lack of availability of the skilled labour. Third was the frequent power breakdown. Problem of the quality of cotton was attributed to the poor knowledge, skills and attitudes of the farmers. Lack of skills of the labour was due to the non-availability of any proper arrangements for their training.

Poverty has strong linkages with skill gaps. Value addition at the ginning stage will not only lead to improvement in the livelihood of all those who are associated with ginning industry, but will also have yield benefits in both forward and backward linkages. Improvement in quality of the cotton lint would mean provision of higher quality raw material to the textile and clothing industry, which will translate into increasing competitiveness of the higher value added textile and clothing products. As a result, the industry will create more job opportunities and higher income for those associated with industry. As far as backward linkages are concerned, when value addition at the ginning phase will take place, it will create demand for more cleaner and quality cotton. Eventually, farmers will have



incentives to provide quality cotton to earn better returns. In this way 1.5 million families will benefit, thus improving livelihood of large number of rural dwellers.

Ginning sector up gradation in term of skills and technology can be used as instruments in improving quality of cotton and cotton products, creating employment opportunities, and increasing earnings of the people associated with the ginning sector. Such interventions will essentially lead to improvement in the livelihood and poverty alleviation. The skill gaps include production management, marketing management, people management, information technology, quality management, and ergonomics.



1.0- Introduction

Ginning is an important transfer point in the cotton value chain. After picking of seed cotton by the farmers, it is transported directly or indirectly to the ginning factories for further processing. Ginning sector acts as bridge between the farmer field and textile industry. Ginning stage of cotton plays a significant role in determining the quality of raw material for textile and clothing industry. Process of ginning converts cotton into cotton lint and seed. Lint accounts for about 30-35 percent of the cotton (Baffes, 2001, p.169).

There is no consensus on the exact number of the ginning factories operating in the country. In total 1221 cotton ginning factories exist in Pakistan, with total installed capacity of 20 million bales on three shifts basis (Government of Pakistan, 2008, p. 42). Currently, some of the ginning factories are closed owing to technical and financial reasons. In December, 2008, only 1007 factories (82 percent) were operational, out of which about 81 percent were located in the Punjab Province and about 19 percent in the Sind Province (PCGA, 2008).

Ginning factories are mainly located in Multan, Bahawalpur, Rahim Yar Khan, Vehari, Khanewal, Sahiwal, Muzafargarh, Toba Tek Singh, Jhang, Sargodha, Hyderabad, Matiari, Tando Allah Yar, Jam Shoro, Dadu, Umar kot, Sanghar, Nawab Shah, Kahirpur and Mirpur Khas districts of Punjab and Sind. There are 156 ginning factories in District Rahim Yar Khan (SMEDA, ud), 300 in District Multan (PCGA, 2008).

Ginning factories are placed at pivotal position in the cotton value chain. They are the major clients of the cotton growers and provide raw material to the textile and clothing industry and the oil mills, so millions of people in Pakistan have their livelihood dependent upon performance of this sector. However, this sector has tremendous potential for improvement and value enhancement as the ginning factories lack trained staff and continue to rely on the outdated technology. Improvement in the knowledge and skills of the people associated with the ginning sector will not only benefit the sector, but will also create value enhancement in both forward and backward linkages.

Keeping in view the importance of the ginning sector, in the cotton value chain, a study was conducted with the objective of identifying skill gaps in the ginning sub-sector.

2.0- Methodology

Qualitative method of investigation was employed in this study. Data was collected from both primary and secondary sources. Secondary sources were publications of the public and private sector organizations. Based upon extensive literature review a semi-structured questionnaire was designed and pre-tested before administering it on full-scale basis. As the study was more or less exploratory in nature so the sample size was restricted to only 10 ginning factories. The sampling units were randomly selected from available list of the ginning factories.

Out of ten respondents, six were managers, two owners of the factories and two Accountants (Table 1: Profile of the respondents).

Table 1: Profile of the respondents

Respondents	Frequency	Percent
Accountant	2	20
Manager	6	60
Owner	2	20
Total	10	100



3.0- Profile of the Ginning Sector

3.1- History of the Ginning Sector in Pakistan

Eli Whitney is believed to have invented the cotton saw gin in 1793 and before that the process of separating seed from lint was done manually (Mahmood Group, 2004). However, Lakwete (2003) believes that gins were invented centuries before Eli Whitney and argues that history of gins starts with cotton plant and gins originated in India (pp.vii-6). So history of ginning in Pakistan is very old.

Ginning sector existed in Pakistan before Independence in 1947. Legislative process related with ginning sector started in 1920s. The acts and laws enacted before creation of the country are still in practice. In 1925, the Cotton Ginning and Pressing Factories Act, 1925 was promulgated in India to regulate cotton ginning and cotton pressing factories. The same Act with certain amendments incorporated till now is given in Annex 1: The Cotton Ginning and Pressing Factories Act, 1925. Other laws and acts are given in Annex 2: The West Pakistan Cotton Control (Validation Of Levy Of Fees) Ordinance, 1966, Annex 3: The Punjab Cotton Control Ordinance, 1966, Annex 4: The Bahawalpur Cotton Control (Validation Of Levy Of Fees) Ordinance, 1967, Annex 5: The Punjab Cotton Control (Validation of Levy Of Fees) Ordinance, 1971, and Annex 6: The Punjab Cotton Control (Validation of Transportation Fee) Act, 1974.

Government intervention in the cotton market began in 1950s, when the price of cotton in the world market rose sharply due to Korean War. As a result, the Government raised cotton export duty from Rs. 60 to Rs. 300 per bale in November 1950, aiming at stabilizing the cotton prices in the domestic market to give benefits to the ginning industry (Andrus & Mohammed, 1966, pp. 15-16).

Modernization of the ginning sector in Pakistan began in early 1960s. Second Five Year Plan of Pakistan gave specific emphasis to the ginning sector. Under this plan, Pakistan sought loan of US\$ 6.4 million specifically for the up-gradation of machinery and the financial capital was distributed among the ginners through Industrial Development Bank in 1962 (Andrus & Mohammed, 1966, p. 15). In the mid 1960s, there were 807 ginning factories in Pakistan (the then West Pakistan) (Andrus & Mohammed, 1966, p. 14). However, after 1960s, ginning sector continued being ignored by the policy makers until recent years when the policy circles realized the need of upgrading technology of the ginning sector.

3.2- Cotton Value Chain

Cotton value chain is very long and very complex. Cotton value chain developed by Rehman, Farooq & Ahmad (2008) has been expanded and is presented in Figure 2: Positioning of Ginning (shown in red colour) in the Cotton Value Chain. The referred value chain had two shortcomings. First, backward linkages at the level of farm i.e. inputs required for the production of cotton were missing. Secondly, the flow chart also did not have provision of cotton wastes. These shortcomings have been addressed in the amended flow chart.

Production of cotton requires several inputs like land, labour, seed, water, fertilizer, pesticides, finances, etc. Second transfer point in the cotton value chain is the ginning. Cotton is ginned to produce cotton lint, seed, and waste cotton. Seed is used to produce oil and seed cake, while cotton lint is used for the manufacturing of textile and clothing products. There are 5000 oil mills in the country (SMEDA, ud).

A quantity of 52,000 kilogram seed cotton produces 17,200 kg [100 bales] of cotton lint, 32,240 kg seed, and 2,560 kg trash (Altaf, 2008, p. 60), so lint accounts for 33 percent, seed 62 percent and trash 5 percent (Figure 1: Composition of cotton in Pakistan). So concentration of trash is very high.

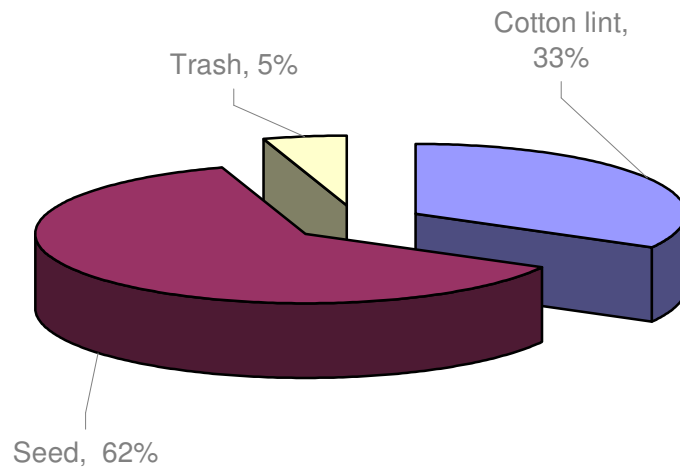


Figure 1: Composition of cotton in Pakistan

Cotton waste is mainly utilized in the cultivation of mushroom. A large quantity of cotton lint and cotton wastes are consumed locally, and remaining quantities are exported. Export of cotton waste earns about US\$ 120 per tonne.

The share of ginning, processing and bailing in total value addition by the textile industry accounted for only 4.60 percent in 2005-06, while that of manufacture of textile (including spinning and weaving) accounted for 88.04 percent, that of weaving apparel only 5.38 percent and that of footwear only 1.98 percent. It clearly indicates that there is substantially large potential for further value addition in the cotton and textile industry.

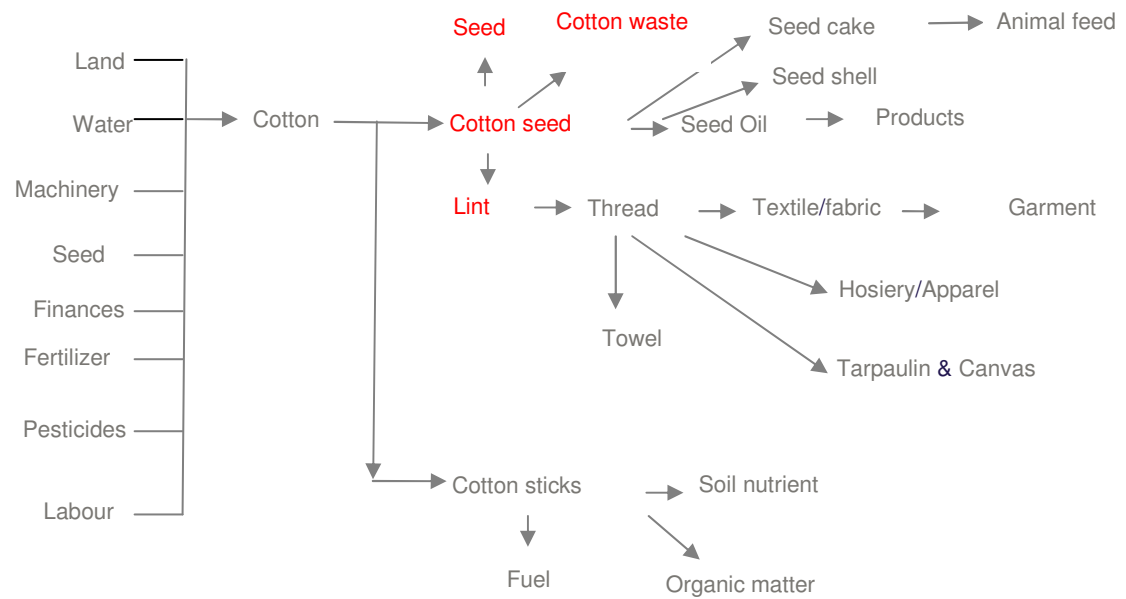
Table 2: Census Value Added by Industry

Value Added Category	2005-06 (Rs. Mln)	Share in Total (%)
Ginning, Processing/bailing	2477	4.60
Manufacture of textile	47428	88.04
Manufacture of wearing apparel (except footwear)	2898	5.38
Manufacture of footwear (excl. rubber/plastic footwear)	1068	1.98
Total	53871	100
All Industries	212559	
Share of Cotton Textile in Total Value added by all industries	25.34	

Source: Statistical Yearbook, 2006, (Chapter 13.6)



Figure 2: Positioning of Ginning (shown in red colour) in the Cotton Value Chain

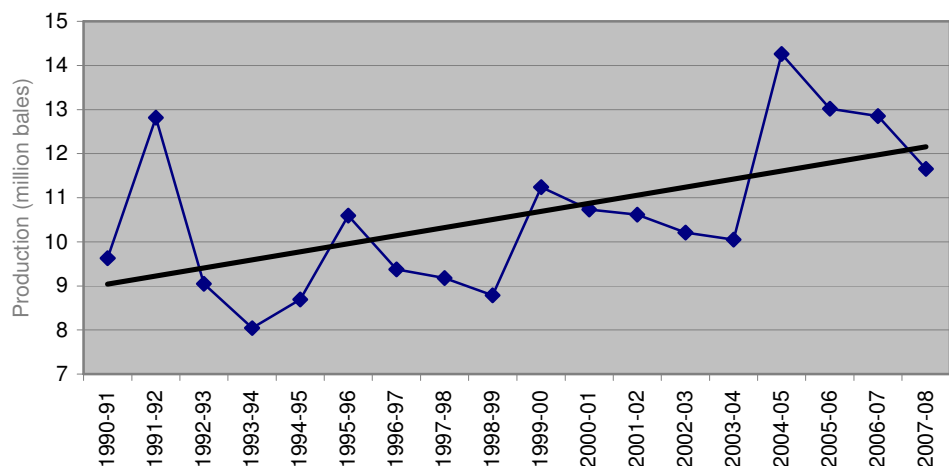


Source: Adopted from Rehman, Farooq and Ahmad (2008)

3.3- Production of cotton lint

Annual production of cotton lint in Pakistan has averaged at 12.37 million bales (each of 375 lbs) during last 5 years, starting from 2003-04. Growth in the cotton lint production has been uneven as is evident from the Figure 3: Production of cotton lint in Pakistan. However, trend shows that on overall basis production has exhibited positive growth, though at small rate, during last two decades. Production peaked at 14.26 million bales in 2004-05 and bottomed at around 8 million bales in 1993-94.

Figure 3: Production of cotton lint in Pakistan



Source: Pakistan Economic Survey 2007-08



3.4- Export of cotton lint

Pakistan is one of the major cotton exporting countries, though not a regular and consistent exporter. During 2007-08, Pakistan exported raw cotton of worth around US\$ 70 million, around 39 percent higher than the previous year. During the referred year, Pakistan exported raw cotton to countries like Bangladesh, India, Thailand, Indonesia, Vietnam, Hong Kong, UAE and Italy.

Table 3. Export of cotton lint

Item	July-June 2007-08	July-June 2006-07	% Change
Qty. M.T.	57,124	45,065	26.76
Value (US\$, 000)	69,737	50,226	38.85
A.U.P. per M.T. (US\$)	1,220.80	1,114.52	9.54

Source: Trade Development Authority of Pakistan (<http://www.epb.gov.pk>)

3.5- Number of employees

Generally number of employees in an industry is directly related to its production capacity or size of the unit. Hence to keep the sample representatives, ginning factories with different ginning capacity were selected. As much the number of employees also varied. Only one ginning factory out of ten factories had more than 250 employees whereas each of the two factories provided employment to 201-250 persons (Table 4: Number of employees per ginning factory) Number of employees for one ginning factory was within the range of 151-200. Similarly 3 factories had 51-100 employees and rest of 3 factories have less than 50 employees.

Table 4. Number of employees per ginning factory

No. of Employees	Frequency	Percent
< 50	3	30
51-100	3	30
151-200	1	10
201-250	2	20
301 >	1	10
Total	10	100

3.6- Number of Officers / Managers

Variable numbers of officers / managers were employed by the respondent factories. Two ginning factories had only one officer/manager to monitor the factory officers whereas two factories employed two officers/managers to look after the factory's management. Each of the three ginning factories engaged three officers/managers to run the factory whereas each of the rest of three ginning factories employed 5 officers/managers to supervise the factory affairs.

Table 5. Number of Officers / Managers per ginning factory

Officer/ Managers	Frequency	Percent
1 Officers /Managers	2	20
2 Officers /Managers	2	20
3 Officers /Managers	3	30
5 Officers /Managers	3	30
Total	10	100



3.7- Size of ginning unit

Majority (50%) of the surveyed ginning units were of the medium sized. Only 20% were small sized and that large size were 30%.

Table 6. Size of ginning unit

Size of Ginning Unit	Frequency	Percent
Small	2	20
Medium	5	50
Large	3	30
Total	10	100

3.8- Ginning capacity

According to survey the respondent ginning factories differed for the ginning capacity per day. Out of ten factories, six were ginning more than 951 maunds* seed cotton per day whereas two factories were at the bottom with ginning capacity of less than 700 maunds per day.

One factory was ginning about 700-750 maunds per day and the other one had the daily capacity of 751-80 maunds per day. The two factories ginned less than 700 maunds seed cotton per day.

Table 7. Ginning capacity per day

Kgs	Frequency	Percent
<700	2	20
701-750	1	10
751-800	1	10
800>	6	60
Total	10	100

* 01 maunds = 40 Kg

4.0- Inputs of the Ginning Factory

Raw cotton is the major input in the process of ginning. The survey has revealed several issues related with inputs which are discussed below:

4.1- Major problems related with inputs

The respondents identified three problems related with inputs:

4.1.1- Quality of cotton

Around 60 percent of the respondents termed poor quality of cotton as the top most problem, they were facing. They pointed out that cotton usually contained high concentration of trash and other material. Several studies have highlighted this issue i.e. poor cotton quality. For example, a recent study by Salam (2008) has revealed that extent of contamination in cotton goes as high as 19 grams per bale (p. 48). Contamination of cotton has adversely affected the performance of higher value added sectors along the cotton value chain, more particularly the export of cotton yarn (Government of Pakistan, 2008, p. 134).

Why quality is poor? Beoparies purchase cotton and then transport (usually through bull cart) it to centres which are generally run by middlemen who have connections with the ginning factories. Around 20 to 30 beoparies (agents of the middlemen) supply cotton to a middleman. Cotton procured by the middlemen is stocked in open places where it is fully



Poor seed cotton cleaning practices



exposed to sun heat, dust, dew and other contaminations. Annual loss incurred by the country range from US\$1.4 billion to \$3.0 billion due to contamination (SMEDA, ud).

The cotton produce is usually packed in jute bags and transported to the ginning factories through tractor trolleys. In some cases, the cotton produce is stocked in trolleys fitted with frames wrapped with polypropylene bags sown together with jute yarn. These frames prove to source of contamination in the cotton (SMEDA, ud).

Government of Pakistan launched a project in three district of the country i.e. Rahim Yar Khan (the Punjab Province), Ghotki (the Sindh Province) and Nasirabad (the Balochistan Province) in 2001-02 aiming at improvement in the quality of cotton in line with the standards defined by the Pakistan Cotton Standards Institute (PCSI). The project succeeded in reducing contamination to only 0.74 -1.97 grams per bale. The programme was extended to Bahawalpur (the Punjab Province) and Sanghar (the Sind Province) districts in the following year (Salam, 2008).



Cotton transported in polypropylene

4.1.2- Power breakdown

The industry is facing sever problem of frequent power breakdown (load shedding). Eventually, ginning processes get frequently disrupted. During such periods, labour remains idle, contributing to the high cost of production.

4.1.3- High mark up

The respondents expressed their serious concerns about the rising cost of financing. SBP raised the discount rate to 15 percent in November, which lead to rise in the lending rates of the banks. Current lending rate ranges from 17 percent 25 percent. Eventually, competitiveness of the ginning factories has been eroded.

Zardari for solving ginners' problems By Sher Baz Khan

ISLAMABAD, Nov 1: Growers and ginners must be supported to achieve this year's cotton production target, says President Asif Ali Zardari.

Chairing a meeting on the crisis in ginning sector at the presidency, Mr Zardari ordered the officials concerned to look into ginners' complaints and take effective measures to remove them. The president was briefed by Minister for Water and Power Raja Pervez Ashraf on the efforts taken by the agriculture and water and power ministries to ensure the smooth functioning of the ginning factories.

He said there were about 800 ginning factories in the country that were earlier facing about 12-hour-long loadshedding daily, resulting in temporary closures and strikes by the Pakistan Cotton Ginners Association (PCGA).

Mr Ashraf said he had issued orders on Friday to provide these factories an uninterrupted power supply as electricity shortfall had now declined to 1,800 megawatts from 6,100MW, resolving most of their problems.

The water minister said there was a possibility that the gap in power supply might be further reduced after the increase in water releases from Mangla and Tarbela dams.

The meeting was also attended by Deputy Chairman of the Planning Commission Salman Farooqi, secretaries of ministries concerned and representatives of the Pakistan Agriculture Research Council.

Source: The Daily Dawn, November 02, 2008, Sunday

Box 1: Impact of power breakdown on ginning industry



5.0- Productivity

5.1- Ginning out turn

Ginning out turn (GOT) is the yield of cotton lint in the process of ginning. GOT in Pakistan is very low as compared to India, and USA. In 2003, it was 34 percent in Pakistan against 42 percent in India and 37 percent in USA. Ginning Output ratio in Pakistan has not shown any significant improvement over the past several years. In India the ratio increased from 31 percent in 1960 to 42 percent in 2003. In 1960, the GOT ratio in Pakistan was higher than that in India but in 2003, ratio in Pakistan was just 81 percent of that in India (UNCTAD, 2005b). However, some countries have GOT ratio less than Pakistan. For example, like Uzbekistan has GOT of 32 percent (Baffes, 2005, p. 268).

Table 8: Ginning output (%) – Comparison between India and Pakistan

country	Units	1960	1970	1980	1990	2000	2003
India	(kg/ha)	31	31	38	43	47	42
Pakistan	(kg/ha)	32	33	33	33	34	34
	Index						
India	1960=100	100	100	123	139	152	135
	%age of						
Pakistan	USA	103.23	106.45	86.84	76.74	72.34	80.95

Source: Adopted from UNCTAD (2005b).

The survey results show that the GOT ranges from 28 percent to 35 percent with mean value of 32.20 and Standard Deviation of 2.098. Only 30 percent of the sampled ginning factories have GOT 34 percent or above (Table 9: GOT in the sampled ginning factories).

Table 9: GOT in the sampled ginning factories

GOT (percent)	Frequency	Percent	Cumulative Percent
28	1	10.0	10.0
30	1	10.0	20.0
31	1	10.0	30.0
32	2	20.0	50.0
33	2	20.0	70.0
34	2	20.0	90.0
35	1	10.0	100.0
Total	10	100.0	

Is GOT increasing? According to survey eight ginning factories were of the view that GOT had increasing trend over the couple of years whereas two factories reported it other way round (Table 10: Trend of Ginning Outturn). It is evident from the below statistics that new cotton varieties are better with regard to GOT.

Table 10: Trend of Ginning Outturn

Trend of GOT	Frequency	Percent
Increasing	8	80
Decreasing	2	20
Total	10	100



5.2- Production of Cottonseed Oil

Seed is used by the oil mills for the production of cottonseed oil and oil cake. During 1995-2003, Pakistan contributed around 9 percent to the total production of the cottonseed oil in the world, and thus ranked as 4th in the world on this account (UNCTAD, 2005a).

Table 11 : Share in the Total Production of Cottonseed Oil in the World: 1995-2003

Country	Share in the world total
China	27%
USA	12%
India	11%
Pakistan	9%

Source: UNCTAD (2005a)

Despite of being 4th largest producer of cottonseed oil in the world, Pakistan has not made any significant achievement in the export of cottonseed oil. During 1995-2003, around 86 percent of the total exports of cottonseed oil in the world originated from United States, Brazil, Argentina, the former Soviet Union, and Syria (UNCTAD, 2005a).

5.3- Losses in Value of Cotton

Average loss in value of cotton during the process of drying and cleaning reported by the respondents, range from 2 to 5 percent with average of 4.30 percent. After cleaning, loss in value of cotton occurs during the process of ginning. Results show reported loss during ginning ranging between one percent and 8 percent, with average of 3.90 percent (Table 12: Loss in value of cotton during ginning). However, actual loss is likely to be much higher as people engaged in the ginning lack any formal education or training.

Table 12: Loss in value of cotton during ginning

Cotton loss	N	Minimum	Maximum	Mean	Std. Deviation
Loss during drying and cleaning	10	2	5	4.30	.949
Loss during ginning	10	1	8	3.90	2.601

5.4- Productivity of human resource

There is no evidence of any study on the productivity of human resource in the ginning sector. Results of this study do not show a promising situation. None of the respondents termed it high or very high in the ginning industry (Table 13: Productivity of human resource). Low productivity is attributed to lack of skills, knowledge and attitude of the workers. Secondly, seth culture of management is also responsible for this phenomenon.

Table 13: Productivity of human resource

Productivity	Frequency	Percent	Cumulative Percent
Poor	1	10.0	10.0
Satisfactory	9	90.0	100.0
Total	10	100.0	



5.5- What are the issues relating to productivity of people working in organization?

About 90 percent of the respondents described the power breakdown as the biggest constraint relating to the overall productivity of their factories, while remaining 10 percent termed lack of skills as the major productivity constraint.

5.6- What are main issues in the performance of people in the organization?

Around 80 percent of the respondents attributed lack of knowledge and skills of the labour to their poor performance, while remaining 20 percent held the view that they had some attitudinal problems.

6.0- Technology Status

Existing ginning technology is very old and damages the staple length during the process of ginning, lacks moisture control system, results in excessive heating of the seed cotton, and is inefficient in trash removal (EDB, 2005). Ginning factories have not old machinery but are also practicing outdated methods of ginning (Salam, 2008, p. 48). They have failed to keep pace with fast changing international standards (Altaf, 2008, p. 57). Most of the ginning mills do not have lint cleaners, pre-cleaners, or automatic pressure instruments. Ginning technology in Pakistan is poorest in the world (Dawn, 2007, February 02). Lint cleaners are installed in only 10 percent of the ginning factories (Altaf, 2008, p. 61). Owing to poor ginning technology, quality of cotton is impaired.

Brands of ginning machines like 'saw gins' are mostly locally made. They are copy of US "saw gin" brands like Lummus, Centinial and Continental which were used in USA during 1950s and 60s (SMEDA, ud).

In Pakistan 'saw gins' are fabricated by the labour and technicians who do not have any formal training. Owing to lack of skills in manufacturing, production capacity of locally fabricated sawgins remains very low. For example, according to SMEDA (ud) local made single machine produces around 2 bales per hour while the branded continental Eagle machine produces 7.5 bales per hour. The ginning machinery has experienced significant advancement during last four decades. As per international standards, the productivity of ginning machinery has reached as high as 60 bales per hour (Altaf, 2008, p. 60). There are no standards for the manufacturing of ginning machinery in the country, and no proper ginning practices (EDB, 2005).

Estimates of ginning machinery manufacturers vary between 48 and 75. Most of the manufacturers of ginning machinery are located in Multan, Rahim Yar Khan, Bahawalpur, Vehari, Burewala, Mian Channu, Chicha Watani, Sahiwal, Faisalabad (SMEDA, 2008). Components and spare parts of the ginning machinery being manufactured in the country are not standardized, as they vary in size (EDB, 2005).

In 2005, Ministry of industries, Production & Special Initiatives (MoIP&SI) constituted a task force for the up-gradation and standardization of ginning machinery. The task force comprised two professionals from the ginning factories, two each from Agriculture Mechanization Research Institute (AMRI), and agricultural machinery manufacturers, Multan, and one each from Pakistan Cotton Standard Institute (PCSI), Karachi, SMEDA, and EDB. Objectives of the task force were to improve quality of cotton lint, yield interchange ability of standard parts and components, maximize staple length, minimize cotton wastage, decrease in power consumption, and provide consistent production of ginned cotton of constant fibre length. The Task-Force managed to develop a new prototype Saw-Gin machine with 124 saws, which was labelled as ECO-GIN. ECO-GIN consumes less energy – 2.66 kW per bale as compared to 5.47 kW in case of conventional machines (EDB, 2005). However, progress on account of adoption by the machinery manufacturers is yet to be seen.



High wastage in Pakistan made ginning machines



6.1- What kind of machinery has been upgraded during last 5 years?

Only 40 percent of the respondents reported that machinery (saginn) in their ginning factories had been upgraded.

6.2- What kind of equipment or machinery could improve your business competitiveness?

About 90 percent of the respondents stated that up-gradation of saginn could improve competitiveness of their ginning factories, while only 10 percent indicated that installation of heating plant could boost their competitiveness.

7.0- Quality Management

7.1- Overview of the Cotton Quality

One of the reasons for low per unit returns from the export of cotton and cotton products is due to the fact that Pakistani cotton products are labelled as low quality and low priced products (NPO, 2003; Iqbal & Ahmad, 2007). Hassan (2007) estimates that Pakistani cotton suffers loss of around 10-15 percent in value, equivalent to around \$350 million per annum, which is attributed to farm level problems and issues like poor quality, improper picking methods, adulteration of cotton with water and other material, mixed grades and seed varieties and improper packing, storage and transportation means.

Farmers are not conscious of the quality of cotton. In past, cotton producers got prices 30% prices below international prices (NPO, 2003, p. 3), eventually, emphasis of farmers has been quantity not the quality.



Feeding of seed cotton to machines

7.2- Quality of the available seed cotton

According to survey two respondent cotton ginning factories were of the view that seed cotton available in the local market during 2008 crop season, is of normal quality whereas eight factories rated the quality of seed cotton as good (Table 14: Quality of the Available seed cotton).

Table 14: Quality of the Available seed cotton

Seed cotton quality	Frequency	Percent
Normal	2	20
Good	8	80
Total	10	100

Quality: Punjab Agriculture Department has set minimum criteria for the approval of new varieties of cotton, which include Ginning Out Turn GOT not less than 38%, staple length not less than 27mm, micronaire not more than 4.8, strength 95,000 psi, uniformity ratio not less than 48 and boll size not less than 4gm (Government of Pakistan, 2005, p. 13). Staple length of Pakistani cotton has not improved since 1960s. In 1960s, Pakistani cotton was classified as medium staple (Andrus & Mohammed, 1966, p. 11).



7.3- Major issues related with quality of cotton

The respondents identified several issues related with quality of cotton. Clean and good quality cotton is not delivered to the ginning factories. Cotton contains high concentration of trash, dust and moisture. Secondly, farmers do not bother to keep cotton of different varieties separate, eventually; individualistic characteristics of different cotton varieties are lost. Secondly, farmers need proper skills in picking, stocking, packing and transporting cotton.



A ginner showing polypropylene trash (blue) in seed cotton.

7.4- What are the quality concerns in your production chain?

The ginner identified three major problems related with their production chain. First is the quality of cotton. As discussed earlier, cotton contains high concentration of moisture, trashes, and dust. Second is the lack of availability of the skilled labour. Third is the frequent power breakdown.

7.5- What are the causes of those quality problems / issues?

Problem of the quality of cotton is attributed to the poor knowledge, skills and attitudes of the farmers. Lack of skills of the labour is due to the non-availability of any proper arrangements for their training.

7.6- What are your plans to improve your products or services during next one year?

A vast majority (90 percent) of the respondents informed that they were not having any plan to improve their products and services in the next one year. However, 10 percent of the respondents indicated that they were planning to upgrade machinery like sawginns in their ginning factories.

7.7- Access to cotton testing lab

It was quite astonishing that none of the ginning factories stated that they had any access to cotton testing lab. Under such situation one can imagine about the reasons for poor quality cotton of Pakistan.

Table 115: Access to cotton testing lab

Access	Frequency	Percent
No	9	90
Yes	1	10
Total	10	100

8.0- Marketing Strategies

8.1- Overview of cotton marketing

In the international market of cotton, New York Cotton Exchange (NYCE), which was established in 1870, has a dominant role. NYCE offers trading under both future and option contracts up to a period of two to three years (Baffes, 2001, p. 170). In Pakistan a similar body is the Karachi Cotton Exchange (KCE). Ginning is totally in the private sector in Pakistan. Karachi Cotton Association



(KCA) was created in 1933 with the objective of regulating trade of cotton. KCA initiated future trading in 1955 (Andrus & Mohammed, 1966, p. 15)

8.2- Company's broacher for promotional activities

According to the survey, none of the ginning factories had got printed Brochure for promotion of the factory among farmers or textile industry. Actually, number of cotton ginning factories is about fixed and installation of a new factory or expansion in the existing capacity can only be done with the permission of the government under the provision of the Punjab Cotton Control Ordinance. Respectfully, there is no healthy competition among the ginning factories to purchase the input or to sell the output.

8.3- Knowledge about market needs

According to survey three responding ginning factories showed poor knowledge about the market needs whereas five factories had knowledge of normal level (Table 126: Knowledge about market needs). Only two ginning factories showed good knowledge level about the requirements of the market.

Table 126: Knowledge about market needs

Knowledge level	Frequency	Percent
Poor	3	30
Normal	5	50
Good	2	20
Total	10	100

8.4- What are marketing related problems your company is facing?

The respondents identified three problems their ginneries were facing. First problem relates with the prices of cotton. Almost 60 percent of the respondents termed this problem as the top most problem they were facing. They argued that they pay a price to the farmers, which is fixed by the Government and they cannot pay less than that. On the other hand, in the cotton lint market, prices are subject to the interaction of supply and demand forces, making the situation of prices very volatile. Owing to high fluctuations in the prices of cotton lint, they were facing tremendous amount of difficulty in marketing their products. See

Box 2: Cotton lint prices and backward linkages.



Ginned cotton stored in the open yard

The second problem of marketing identified by the respondents was the non-existence of any policy of the Government to apply discounts on poor quality cotton and premium on quality cotton. Hence, they had to compromise on the quality of cotton. This problem was termed as top most marketing problem by 20 percent of the respondents.

Third marketing related problem identified by the respondents is the role of brokers / middlemen in the marketing of cotton and cotton lint. This problem was termed as the number one marketing problem by 10 percent of the respondents. They pointed out that brokers have dominant role in selling the cotton lint to the textile industry, which have their own interests so they mostly cause damages to the interest of the ginners.

8.5- How could your company fetch better market price?

How could your company fetch better market price? Respondents suggested three ways through which the ginning factories could earn better market price: 1) by producing quality cotton lint; 2) by using good quality cotton purchased from the farmers; and 3) offering premium price to the farmers on quality cotton.



Ministry releases Rs five billion to TCP for procuring cotton ASMA RAZAQ

ISLAMABAD (November 22 2008): The Finance Ministry has released Rs 5 billion to the Trading Corporation of Pakistan (TCP) for cotton procurement, well-placed sources told *Business Recorder* here on Friday. The prices of phutti and cotton are decreasing in the domestic market as cotton prices have decreased to Rs 2700 from 2900 per 40 kg, while phutti prices have gone down to Rs 1200 from 1400 per 40 kg.

Sources said that for the procurement of cotton from the ginners, the Finance Ministry has provided Rs 5 billion to the TCP. They said that a meeting would be held on November 25 between the representatives of Pakistan Cotton Ginners Association (PCGA) and the government officials including the Chairman TCP, and the secretaries from Finance, Textile and Commerce Ministries in which the proposal regarding the support price of cotton would be finalised.

There are almost 500 ginning factories across the country that have stopped procurement of cotton from the growers due to non-availability of credit limits to buy phutti from growers and constant operational losses due to declining prices of cotton in the local market.

The chairman PCGA, M Akram Chaudhry told this scribe that "Our credit limits have expired. Earlier the Ministry of Food, Agriculture and Livestock (Minfal) had written a letter to the State Bank of Pakistan (SBP) for enhancing the cash limit for ginning units to save them from the financial crunch and in response, the Governor SBP, Dr Shamshad Akhtar wrote a letter to the ginners in which she agreed to extend the credit limit but no progress has been made in this regard".

He added, "We have to make payments of billions of rupees to the growers but with no cash flows, we are unable to offer a better return to the growers for their crop". Low buying of cotton by the textile sector from the ginning factories has also become a major problem.

When this scribe contacted a textile exporter, he said on the condition of anonymity, "We are forced to keep our buying of cotton low from the ginning factories as our export orders have decreased to 30 percent as compared to the last year. R&D for apparel sector has not yet been issued by the government despite its tall claims".

He added that the provision of 2 percent increase on discount rate is alarming for the textile sector, which has already become uncompetitive in the global market due to high cost of production.

Cotton is the main cash crop and Pakistan is the fourth largest cotton producer in the world. According to the latest cotton arrival report released by PCGA, the arrival of 7.17 million bales has been recorded in the ginning factories as on November 15, 2008 against 5.89 million bales during the same period of last year depicting an increase of 18 percent.

The report says that 4.90 million bales have arrived in the ginning factories of Punjab as on November 15, 2008 against the arrival of 4.45 million bales during the same period last year. This clearly indicates an increase of 18 percent.

Source: Business Recorder, November 23, 2008

Box 2: Cotton lint prices and backward linkages



9.0- Government Policies

9.1- Pro-industry Policies

Is there any Government policy which is benefiting the ginning industry? Almost 60 percent of the respondents indicated that there was no support available from the Government. However, remaining 40 percent of the respondents pointed out that waiver of General Sales Tax (GST) on the seed cotton and the lint have brought gains for the ginning industry. The Government has also reduced import duty on ginning presses to 5 percent (Government of Pakistan, 2008, p. 41).

9.2- Anti-industry Policies

Respondents from the ginning factories reported four government policies which were proving to be the anti-industry policies.

First is the issue of licenses for the ginning factories. The respondents indicated that ginning factories have to get working licenses issued and renewed from the provincial agriculture departments. Sometimes, the departments feel reluctance in renewing the licenses, eventually, the ginning factories remain closed till the time licenses are renewed, and run huge losses on account of inactiveness.

Second major problem identified by the ginners was the anti-industry power policy. The respondents reported period of daily load shedding ranging from 8 to 12 hours. It results in idleness of the factories for substantial period of time, hence escalating per unit cost of production. Moreover, the power tariff for the industry was also very high and had been subject to frequent rises during the recent past.

Withholding tax was described as third anti-industry government policy. The respondents reported that currently the government was levying 3 percent withholding tax on the ginning factories, which was making the factories uncompetitive, as the spinners had the option of importing cotton on better terms.

High mark-up (of bank financing) was reported as another anti-industry government policy. They highlighted that ginning factories had to pay very high mark up on the bank loans (as high as 20 percent), while that in India was not more than 10 percent, hence, ginning factories were facing severe crunch of financial resources and viability of their businesses had largely eroded. See Box 2: Cotton lint prices and backward linkages.

9.3- Suggested Policies by the Ginners

The respondents from the ginning factories suggested five policy measures to be taken by the Government to promote the ginning sector: 1) un-interrupted supply of power to the ginning factories; 2) the government should also fix the price of cotton lint in line with the support price of cotton; 3) the support price of cotton should have the provision of premium in case of good quality cotton and discount in case of poor quality cotton; 4) Knowledge and skills enhancement of the farmers in proper picking practices, storing, handling and transportation of cotton produce; 5) the extension department should launch a campaign among the farmers that they should keep cotton produce of each variety separate; 6) the government should provide soft loans to the ginning factories for upgrading the machinery – which should be technologically advanced and save energy as well.



Cotton ginners shut factories in protest

HYDERABAD, Aug 3: Office-bearers of Pakistan Cotton Ginners Association have called upon the government to remove all hurdles in the way of issuance of working licence by provincial agriculture departments of Sind and Punjab and abolish the refundable taxes on cotton ginning.

They said that non-renewal of working licences by the agriculture department and non-issuance of clearance certificates by the excise department had forced them to shut around 1200 factories from August 1 in the country. They expressed their resolve that they would not reopen their factories unless their demands regarding the withdrawal of all other taxes and renewal of working licence are met.

Addressing a news conference at the press club here on Sunday, chairman of the association and office-bearers said that working licence was renewed after every June 30 by the provincial agriculture department but since the government had imposed a fee of Rs5 on each cotton bale this year which ginners considered highly controversial and thus refused to pay it.

They said that before the renewal of the working licence by the agriculture department the excise department issues a clearance certificate which is to be submitted to former. The excise department was authorised to recovery the said Rs5 fee and had linked issuance of clearance certificate with payment of the fee, they said.

They said since clearance certificate was withheld by excise department the agriculture department didn't renew the working licence. They said in a general body meeting of the association on July 28 it was decided to observe a strike from August 1, because if they run the factories it would be considered illegal in absence of working licence.

They said it was decided in 1991-92 between the Federal Board of Revenue and the association that they would pay one per cent fixed tax regardless of the fact they suffer losses. They said they were paying this tax regularly and around Rs200 million were paid in last fiscal year in terms of fixed tax and this year they would pay Rs300 million in taxes.

They said in breach of agreement that no new tax would be imposed government slapped some taxes under Workers Welfare Fund two years ago.

They said that refundable taxes should also be withdrawn because when they seek refund of taxes around 30 to 40 per cent of it was always pocketed by corrupt officials.

They held bureaucrats responsible for that and said that they had no complaint against the PPP government because the bureaucracy was the same.

They demanded of government to remove all hurdles in the way of renewal of working licence and do away with Rs5 fee on each cotton bale.

They called for scrapping clean cotton project and urged the government to declare the cotton ginning industry as fully zero rated as had been done in case of textile industry. They said regular electricity supply should be maintained to ginning factories.

Source: The Daily Dawn, the Monday, August 04, 2008

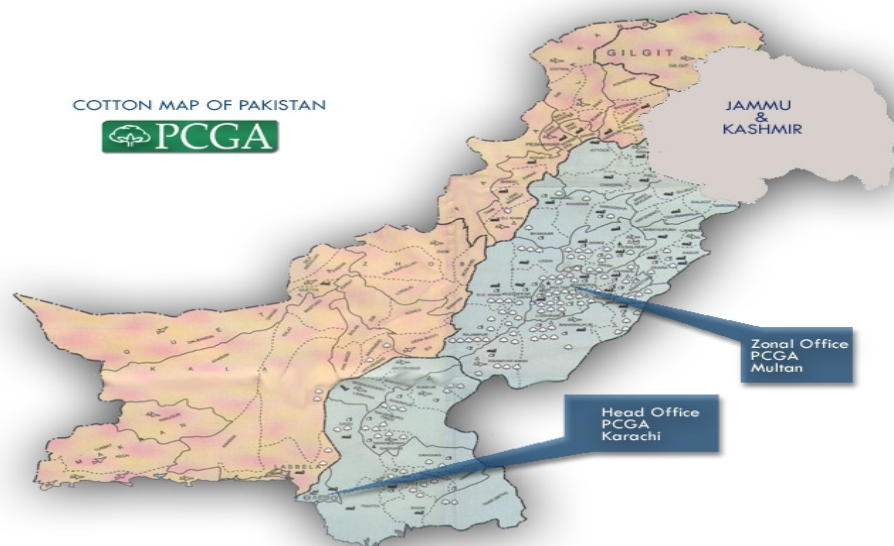
Box 3: Cotton ginners shut factories in protest



10.0- Institutional Linkages

There are several institutions which are responsible for the uplift of the cotton and cotton based industries. Pakistan Central cotton Committee (PCCC) was incorporated 1948 with an objective of improving in growing, marketing and manufacturing of cotton and cotton by-products in the country through R&D interventions. Pakistan Cotton Standards Institute (PCSI) is an attached department of the Ministry of Food and Agriculture (MINFA) which is responsible for developing quality standards for cotton. Textile Commissioner's Organization (TCOs) was created before Independence of the country in 1947. After Independence, TCO was attached with Ministry of Industries. It was merged with Department of Supplies and Development in 1959. Currently, it is working as an attached department of the Ministry of Textiles. It is responsible for maintaining databases related with cotton and textile products. Besides, there are several other related bodies and institutions. However, it is the main mandate of the Pakistan Cotton Ginners Association (PCGA), to create linkages of the ginning industry with all these institutions. PCGA is the main representative trade body of the ginning industry. In addition to PCGA, regional chamber also perform similar roles. PCGA has headquartered in Karachi and a zonal office in Multan, which is centre of the cotton producing region (Figure 4: Cotton Map of Pakistan).

Figure 4: Cotton Map of Pakistan



Source: PCGA (http://www.pcga.org/cotton_map.html)

10.1- Membership of Ginneries with any Association

According to survey all the ten respondent ginning factories had membership of Pakistan Cotton Ginners Association, however, none of the respondents was member of Chamber of Commerce and Industries (Table 137: Is your company member of any association?)

Table 137: Is your company member of any association?

Association	Total No. of Ginning Factories	Membership	
		Yes	No
PCGA	10	10	-
CCI	10	-	10

It may be assumed from the above data that almost all the ginning factories are member of PCGA and have faith in their association. On the other hand, the ginning factories have no exposure to other people related to Commerce or other industries as there was almost not pressure of ginning factories in Chamber of Commerce and Industries.



10.2- Facilities provided by PCGA

According to survey, the three respondent ginning factories informed that PCGA provided latest updates on government rules and regulations and other relevant information to them on quarterly basis whereas seven factories did not respond the question. As regards supply of relevant information by PCGA on weekly basis, only one factory acknowledged whereas nine factories did not respond.

As regards provision of training facilities about technical matters, only one ginning factory informed that PCGA provided the technical training facilities whereas nine factories had no information at all.

Table 148: Facilities provided by PCGA

Facilities provided	Relevant Information Provided by PCGA		Training Facilities Provided
	On Quarterly Basis	On Weekly Basis	
Yes	3	1	1
No	7	9	9

10.3- Raising of Community Voice by PCGA

On the major factories of an association is to raise voice of the member companies or to highlight the problems of the concerned industry before the government functionaries at different for a from time to time. In this connection, seven of the ten respondent ginning factories informed that PCGA usually raised the voice of the community on quarterly basis before the Government authorities (Table 159: Raising of Community Voice by PCGA). However, only one factory's management was of the view that PCGA contacted the government on weekly basis to apprise the authorities about the issues/problems of ginning industry. Contrarily one factory's management stated that PCGA interacted with government authorities once in a year only.

Table 159: Raising of Community Voice by PCGA

Time period	Frequency	Percent
On weekly basis	1	10
On Quarterly basis	7	70
Once in a year	1	11
Total	9	90
Missing	1	10
Total	10	

10.4- Website of PCGA

Out of ten respondent ginning factories, only three respondents stated that they were aware of the website of PCGA (Table 16: Website). PCGA website contains lot of information related with cotton prices in the international market as well as domestic market, government policies, weather forecast etc.

Table 16: Website

PCGA Website information	Frequency	Percent
Yes	3	30
No	7	70
Total	10	100



10.5- Visit of the Website

As regards visit of the respondent ginning factories to the website of PCGA, only one factory visited the website few times whereas five factories never visited the website (Table 17: How often you visit that?) It is evident from the table that either the website does not contain updated information required by the members or the member companies do not have internet facilities. When the respondent ginning factories were asked about the usefulness of the website, the five ginning factories rated the website as useless, whereas rest of the ginning factories did not respond the above question.

Table 17: How often you visit that?

Website visited	Frequency	Percent
Never	30	30
Sometimes	50	50
Missing	10	10
Total	10	100

10.6- Usefulness of Website

When the respondent ginning factories were asked about the usefulness of the website, the five ginning factories rated the website as useless, whereas rest of the ginning factories did not respond the above question (Table 18: Is website useful)

Table 18: Is website useful?

Website usefulness	Frequency	Percent
No	5	50
Missing	5	50
Total	10	100

11.0- Learning and Development

11.1- Perceived benefits of training and development

What are perceived benefits of training and development by people in the ginning industry? Ninety percent of the respondents described just satisfactory benefits of training and development interventions (Table 19: Perceived benefits of training and development). It indicates that attitude of the people in the ginning sector towards training and development was not encouraging.

Table 19: Perceived benefits of training and development

Training benefits	Frequency	Percent	Cumulative Percent
Satisfactory	9	90.0	90.0
High	1	10.0	100.0
Total	10	100.0	



11.2- Number of training courses participated

Culture of training and development was poor in the ginning sector. It is evident from the result of the survey. None of the respondents reported that any one from their company participated in any training course during last 12 months. However, all of the respondents indicated that employees of their organizations did need trainings.

It is not surprising to note that only one respondent indicated that senior management of his/her company needed training (Table 20: Does senior management of your company need training?). In fact, *seth* culture (where master and slave relationship exists between the employers and the employees) is dominantly prevailing in the ginning industry. As a result, one can hardly expect from employees to say anything against the prestige of their employers. The only respondent, who highlighted the need of training of the senior management, was owner of the company.

Table 20: Does senior management of your company need training?

Training need	Frequency	Percent	Cumulative Percent
No	9	90.0	90.0
Yes	1	10.0	100.0
Total	10	100.0	

11.3- Culture of sharing information

Information sharing among the people working in the ginning sector was very poor. Even within a factory, sharing of information was very much restricted, as is evident from findings of the survey. A vast majority (90 percent) of the respondents termed culture of sharing information in their factories as poor or very poor. So how learning and improvement can take place in such environment?

Table 21: Culture of sharing information

Information sharing	Frequency	Percent	Valid Percent	Cumulative Percent
V. Poor	1	10.0	10.0	10.0
Poor	8	80.0	80.0	90.0
Satisfactory	1	10.0	10.0	100.0
Total	10	100.0	100.0	

11.4- Use of Information Technology

Existing state of automation in the ginning industry was poor. None of the respondents reported to have any IT system in their organizations.

However, development of software specifically for the ginning industry has promising prospects for it. For example, GinBASE is specialized software for the ginning industry that has been introduced in Pakistan for automation of business processes like sales, purchases, production, inventory, accounts etc.

11.5- PCGA Ginning Institute, Multan

Trade Policy 2004 envisaged the establishment of Ginning & Research Institute. The board of the institute has representation from Ministries of Commerce, Food, Agriculture and Livestock and Textile, Trade Development Authority of Pakistan, Trading Corporation of Pakistan (TCP), Textile Commissioner's Organization (TCO), Pakistan Cotton Standard Institute (PCSI), All Pakistan Textile Mills Association (APTMA), Karachi Cotton Association (KCA) and six members from Pakistan Cotton Ginners Association (PCGA).



National Cotton Ginners Association (NCGA) of USA established in 1937 is running a training centre for the ginners known as Ginners School and offers course for the certified ginners. The course consists of three levels. Outlines of the three levels are given in Annex 7: Outlines of the Course for Certified Ginners. The Ginning and Research Institute in Pakistan should aim at producing certified ginners in the country on the pattern of the Ginners School of USA.

12.0- Issues and Challenges of Ginning Industry

There are several challenges, the ginning industry is facing, as identified by the ginning industry. They are discussed below:

12.1- Power policy:

Sixty percent of the respondents from the ginning factories termed load-shedding and high tariff of electricity as top most problems, they were facing.

12.2- High mark up:

Twenty percent of the respondents considered high mark-up as the major problem.

12.3- Quality of cotton

Ten percent of the respondents were of the view that poor quality of cotton was a major problem.

12.4- Pricing policy

Ten percent of the respondents deemed pricing policy of the government as a major cause for the distortion in the market of cotton and cotton lint. They argued that support price announced by the government becomes binding for the ginners while they were never sure of the price of their produce i.e. cotton lint.

12.5- Research in the Ginning Sector

Ginning provides foundation to the whole textile sector in the country but this sector has been seriously neglected by the researchers.

12.6- Outdated Technology

Ginning sector seriously lacks in technology and skills for classification of the cotton lint. There are quite inadequate regulations for the ginning industry (Government of Pakistan, 2007, p. 39). Gineries rely on old machinery and outdated methods of ginning

12.7- Health Issues

Ginning sector lacks any standards for ensuring the health and safety of the people working in the ginning factories.

Ginning workers remain exposed to cotton dust, which may cause respiratory symptoms and there is a positive relationship between the exposure to cotton dust and symptoms of cough, phlegm and dyspnoea and other atopic responses (Khan& Saadia, 2006).

Khan& Saadia (2006) suggest that "there is an urgent need for provision of rigorous air quality standards and medical surveillance in occupations, related to cotton exposure".



13.0- Suggestions/recommendations

13.1- Suggestion to improve quality of cotton

13.1.1- Suggestion for farmers

Ginners tendered following suggestions for the farmers in a bid to improve quality of cotton:

- a. Use good quality seed (20 percent)
- b. Maintain separate storage of each variety (20 percent). Realization about this issue has been among the policy circle since early years of the Independence of the country. For example, Punjab passed Cotton Control Act in 1949, providing cultivation of specified staples in specific zones (Andrus & Mahmood, 1966, p. 13).
- c. Improve the practices of harvest and post harvest to produce clean cotton. Labour assigned on the task of picking should be properly trained (30 percent)
- d. Proper storage and transportation

13.1.2- Suggestion for beoparies and other middlemen

All respondents of the survey of the ginning factories suggested the beoparies and other middlemen to make arrangements for proper storage and transportation of cotton so as to avoid deterioration in quality of cotton.

13.1.3- Suggestions for ginning factories

Respondents of the survey gave three suggestions to the ginning factories to improve quality of cotton lint: 1) adopt proper cleaning process like installing pre-cleaning plant; 2) upgrading machinery of ginning; 3) adopt PCSI standards in purchasing the cotton.

13.1.4- Suggestions for PCGA

The ginning factories' respondents suggested that PCGA should evolve a comprehensive program for the capacity building of the management and staff of the ginning factories in areas like standards of cotton, quality management, management of the ginning processes etc.

Besides, it is also proposed that PCGA should encourage competition among the ginners and ginning professionals by giving awards to the best performers on the pattern of the awards of NCGA of USA. NCGA presents two awards to the ginners. One is Horace Hayden National Ginner of the Year and second is NCGA Distinguished Service Award. First award is given to a ginner for delivering efficient and faithful cotton ginning service. Second award is given to the career lead individuals for providing distinguished service to the ginning industry.

13.1.5- Suggestions for the Government

The respondents suggested that the government should take concrete steps to resolve the market distortion. The government should make provision of the premium for the quality of the cotton while announcing the support price.

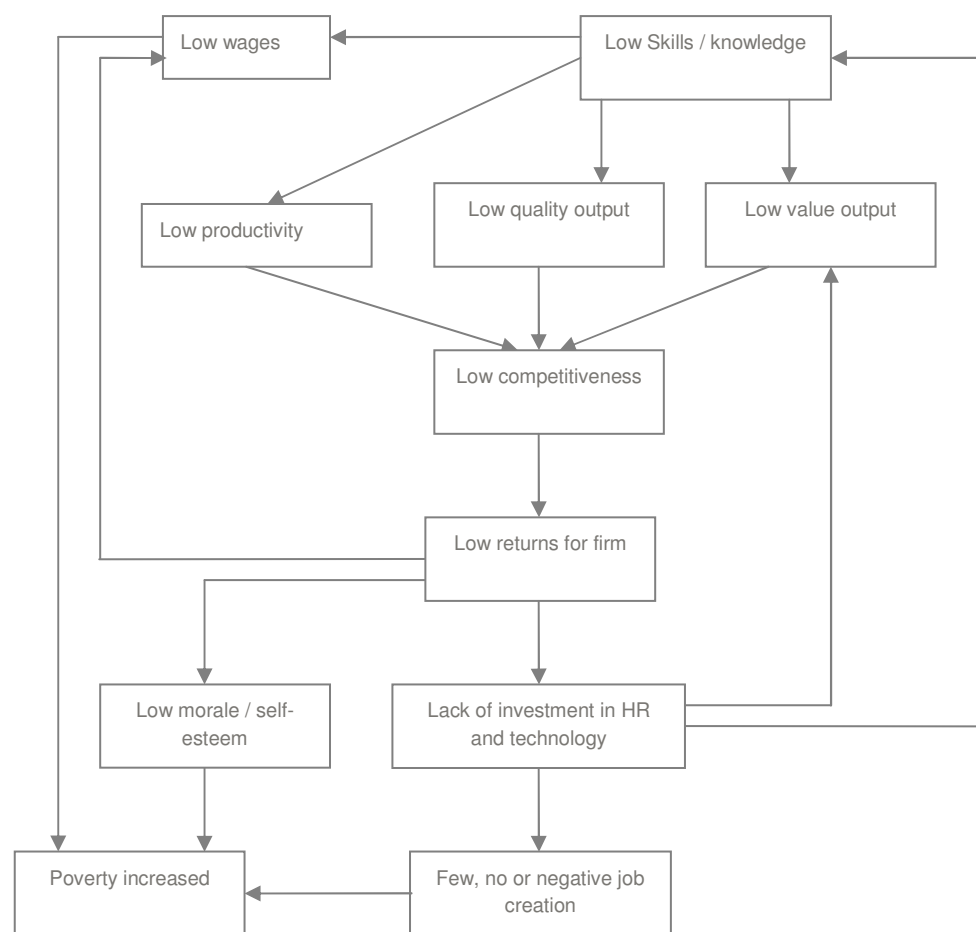


14.0- Skill Gaps and Linkages with Poverty Alleviation and Livelihood

There are 1221 ginning factories in Pakistan. Analysis shows average number of employees in a ginning factory to be 139. It means total number of direct employees of the ginning industry is about 170,000. The ginning factories operate on seasonal basis, usually 3 to 4 months during a year. Hence, most of the employment created by the ginning industry is seasonal in nature. Moreover, ginning industry also creates indirect employment opportunities as well. The middlemen / arthies who supply cotton to the ginning factories also employ thousands of people during the season.

Poverty has strong linkages with skill gaps, as elaborated in the Figure 5: Skill gaps and poverty vicious circle.

Figure 5: Skill gaps and poverty vicious circle



Source: Rehman (2008, p. 50)

Value addition at the ginning stage will not only lead to improvement in the livelihood of all those who are associated with ginning industry, but will also have yield benefits in both forward and backward linkages. Improvement in quality of the cotton lint would mean provision of higher quality raw material to the textile and clothing industry, which will translate into increasing competitiveness of the



higher value added textile and clothing products. As a result, the industry will create more job opportunities and higher income for those associated with industry. As far as backward linkages are concerned, when value addition at the ginning phase will take place, it will create demand for more cleaner and quality cotton. Eventually, farmers will have incentives to provide quality cotton to earn better returns. In this way 1.5 million families will benefit, thus improving livelihood of large number of rural dwellers.

14.1- Poor Knowledge of Laws and Policies

Managers and owners of the ginning factories should be trained in all legislations and government policies related with cotton and ginning.

14.2- Low Skills of Manufacturing Ginning Machinery

Capacity building of the employees working in the machinery manufacturing firms is needed on priority basis. As discussed in Section 0, one of the major problems of quality in cotton lint and cotton products lies in non-standardized ginning machinery, and spare-parts.

At second stage, training of ginning machinery operators in the operation and maintenance of machinery and equipments is needed.

14.3- Poor Knowledge and Skills of Quality Management

Quality is a major area of concern. This is another major skill gap, as is evident from the discussion in the Section 0. The workforce, managers and owners of the ginning factories, oil mills and the machinery manufacturing firms need to be orientated with concepts, tools and techniques of quality management.

14.4- Limited Capacity of Losses Management

Losses are of two types i.e. process losses and the product losses. Both types of losses are critical to the viability of businesses. Trainings of workforce and managers focusing on improvement in skills, knowledge and attitudes (KSAs) can help in managing the problem. Seth culture is mainly responsible for process losses. There is a need of attitudinal change among the owners and managers of the ginning factories. Customized workshops on the enterprise management for the factory owners can bring change in the culture.

14.5- Poor Marketing Practices

Owing to lack of effective practices of marketing, the ginning factories incur losses in value of their sales. There are several issues associated with marketing of cotton lint, which highlight certain skill gaps. Results show that none of the company has any promotional brochure and company website, which implies that ginning factories rely on the traditional selling techniques and do not assign value to the marketing management tools like brochures and websites. One reason for not having any brochure and website could be lack of their confidence in quality of their own products. So this issue is linked with lack of quality management practices. It means improvement in the skills relating to quality management is also likely to bring change in the marketing management practices. There could be another view point also. If there is improvement in the marketing practices, that will become a source of motivation for inducing improvement in quality of their products.

Another major issue related with marketing (Section 0: 8.4- What are marketing related problems your company is facing?) is the influential role of the middlemen in the marketing of cotton lint. This problem is attributed to lack of effective marketing management system and inadequacy of



knowledge relating to the requirements of the customers (Table 126: Knowledge about market needs). So this is another evidence of the existence of the skill gap in marketing management.

14.6- Low Interest in People Management

There exists substantial potential for improvement in the productivity of human resource in the ginning sector (Section 0: 5.4- Productivity of human resource). Low productivity is attributed to several factors. First, is the Seth culture which is one of the major factors responsible for the low productivity of human resource in the ginning sector. Second factor is the poor culture of training and development. Results of the survey show that none of the person from the ginning sector attended any training during last one year (Section 0: 11.2- Number of training courses participated). So training of the employers and managers of the ginning industry is needed in the areas relating to people management. Third factor is the poor culture of sharing information among employees in the ginning factories (as discussed in Section 0). Facilitating sharing of information can help in increasing knowledge, upgrading skills and improving attitude to work. So this is another skill gap area where training intervention is needed.

14.7- Ergonomics of the Ginning Industry

Working conditions in the ginning factories have health hazards. As discussed in the Section 0 (12.7- Health Issues), ginning workers are highly prone to health risks especially related with respiratory system. Article 37e of the Constitution of Pakistan emphasizes upon the provision of humane working conditions. So provision of conducive and health-hazard-free environment is a constitutional obligation on the ginning factory owners. Poor working conditions also negatively impact the productivity of human resource. So this is an important knowledge gap. It is therefore, suggested that PCGA jointly with Ministry of Health and Ministry of Labour should workout minimum standards for good working conditions in the ginning factories and evolves a strategy to strictly enforce these standards. Moreover, a series of training workshops should be arranged for the owners and managers of the ginning factories in ergonomics.

14.8- Poor Information Technology infrastructure

One can hardly imagine efficient enterprise management with out employing the IT, in the present times. However, results of this study show that use of IT in the ginning factories is very limited (Section 0), though there is substantial potential for the use of IT in different processes and operations of the ginning business.

15.0- Conclusion

Ginning sector up gradation in term of skills and technology can be used as instruments in improving quality of cotton and cotton products, creating employment opportunities, and increasing earnings of the people associated with the ginning sector. Such interventions will essentially lead to improvement in the livelihood and poverty alleviation. The skill gaps include production management, marketing management, people management, information technology, quality management, and ergonomics.



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Annex 1: The Cotton Ginning and Pressing Factories Act, 1925

(Act XII of 1925)

C O N T E N T S

SECTIONS

1. Short title, extent and commencement.
2. Definitions.
3. Maintenance of registers.
4. Marking of bales.
5. Returns.
- 5-A. Returns from cotton ginning factories.
6. Scales and weights.
7. Liability of lessee as owner.
8. Liability on transfer of ownership.
9. Structural requirements for factories.
10. Liability of officers of a company.
11. Cognizance of offences.
12. Power of the Provincial Government to make rules.
13. Power of the Provincial Government to make rules.
14. Power to reject unmarked bales in fulfillment of contracts.
15. Protection for acts done under Act.

THE COTTON GINNING AND PRESSING FACTORIES ACT, 1925

(Act XII of 1925)

[18 March 1925]

An act to provide for the better regulation of cotton ginning and cotton pressing factories

WHEREAS it is expedient to provide for the better regulation of cotton ginning and cotton pressing factories;

It is hereby enacted as follows:-

1. Short title, extent and commencement.— (1) This Act may be called the Cotton Ginning and Pressing Factories Act, 1925.

(2) [It extends to the Province of the Punjab];

(3) It shall come into force on such date as the [Provincial Government] may, by notification in the [Official Gazette], appoint.

2. Definitions.— In this Act, unless there is anything repugnant in the subject or context,—

- (a) “bale” means any pressed package of cotton of whatever size or density;
- (b) “cotton” means ginned or unginned cotton or cotton waste;
- (c) “cotton ginning factory” means any place where cotton is ginned or where cotton fibre is separated from cotton seed by any process whatever involving the use of steam, water or other mechanical power or of electrical power;
- (d) “cotton pressing factory” means any factory as defined in the Indian Factories Act, 1911 in which cotton is pressed into bales;
- (e) “cotton waste” means droppings, strippings, fly and other waste products of a cotton mill or of a cotton ginning factory or of a cotton pressing factory but does not include yarn waste;
- (f) “[Pakistan Central Cotton Committee]” means the [Pakistan Central Cotton Committee] constituted under the [Cotton Cess (Amendment) Act, 1948], and includes any sub-committee appointed by it to perform any function of the [Pakistan Central Cotton Committee] under this Act;
- (g) “occupier” includes a managing agent or other person authorised to represent the occupier; and
- (h) “prescribed” means prescribed by or under rules made under this Act.

3. Maintenance of registers.— (1) The owner of every cotton ginning factory shall cause to be maintained at the factory in such form, if any, as may be prescribed a ginning register containing a



record of all cotton ginned in the factory and of the names of the persons for whom and the dates on which the cotton has been ginned and of the amount ginned for each person.

(2) The owner of every cotton pressing factory shall cause to be maintained at the factory in such form, if any, as may be prescribed, a press register containing a daily record of the number of bales pressed in the factory, the serial number of each bale, and the name of the person for whom it has been pressed.

(3) The owner or the person incharge of a cotton ginning or cotton pressing factory shall be bound to produce any ginning register or press register maintained under this section when required to do so any person appointed by the [Provincial Government] in this behalf, and the owner or person incharge of any cotton pressing factory shall be bound to furnish to the [Pakistan Central Cotton Committee], if so required by it in writing, a copy, certified as correct by the owner or person incharge of the factory, of the entry in any press register maintained at the factory relating to any specified bale.

(4) No register required to be maintained by this section shall be destroyed until after the expiration of three years from the date of the last entry therein.

(5) If—

(a) in any factory any register required by this section to be maintained is not maintained or is maintained in any form other than the form, if any, prescribed for the purpose, or

(b) any entry in any such register is proved to be false in any material particular, or

(c) any such register is destroyed before the expiration of the period referred to in sub-section (4),

the owner of the factory shall be punished with fine which may extend to fifty rupees or, if he has previously been convicted of any offence under this sub-section, to five hundred rupees.

(6) If the owner or the person incharge of any factory fails to produce any register, or to furnish a certified copy of any entry, when required to do so under sub-section (3), or furnishes a certified copy of an entry knowing or having reason to believe such copy to be false, he shall be punished with fine which may extend to fifty rupees or, if he has previously been convicted of any offence under this sub-section, to five hundred rupees.

4. Marking of bales.— (1) The owner of every cotton pressing factory shall cause every bale pressed in the factory to be marked in such manner as may be prescribed, before it is removed from the press-house, with a serial number and with the mark prescribed for the factory.

(2) If any bale is removed from the press-house of any cotton pressing factory without having been marked as required by sub-section (1), the owner of the factory shall be punished with fine which may extend to fifty rupees.

5. Returns.— (1) The owner of every cotton pressing factory shall submit to the prescribed authority, within such time and in such form as may be prescribed, weekly returns showing the total number of bales of cotton pressed during the preceding week and from the commencement of the season to the end of that week, and the approximate average net weight of the bales pressed in that week.

(2) The [Provincial Government] shall compile from the weekly returns, and shall publish in such manner as [it thinks fit], a statement showing the total number of bales pressed in the Province during the week and from the commencement of the season to the end of the week, to which the returns relate:

Provided that the number of bales pressed in any individual factory shall not be published.

(3) If default is made in submitting any return as required by sub-section (1), the owner of the factory shall be punished with fine which may extend to fifty rupees.

(4) Where the owner of a cotton pressing factory has notified to the prescribed authority that the work of pressing bales in that factory has been suspended, it shall not be necessary for the owner to submit returns under sub-section (1) until such work has been resumed.

Explanation— In this section “season” means the period notified in this behalf by the [Provincial Government] in the [Official Gazette].

[5-A. Returns from cotton ginning factories.— [(1) The Provincial Government may, by notification in the official Gazette, bring this section into force in any part of the Province.]

(2) The owner of every cotton ginning factory shall submit to the prescribed authority, within such time and in such form as may be prescribed, weekly returns showing the quantity of cotton ginned in the factory during the preceding week and from the commencement of the season to the end of that week.



(3) The Provincial Government shall compile from the weekly returns so submitted and shall publish in such manner as it thinks fit, a statement showing the total quantity of cotton ginned in the Province during the week and from the commencement of the season to the end of the week, to which the returns relate:

Provided that the quantity of cotton ginned in any individual factory shall not be published.

(4) If default is made in submitting any return as required by sub-section (2), the owner of the factory shall be punished with the fine which may extend to fifty rupees.

(5) The provisions of sub-section (4) of section 5 apply to cotton ginning factories and the returns referred to in sub-section (2) of this section as they apply to cotton pressing factories and the returns referred to in sub-section (1) of section 5, and "season" in this section means the season as notified for the purposes of section 5.]

6. Scales and weights.— (1) No scales or weights shall be used in any cotton ginning or cotton pressing factory other than the scales or weights, if any, prescribed by the [Federal] Government as standard for the district in which the factory is situated.

(2) If in any factory any scale or weight is used in contravention of the provisions of sub-section (1), the owner of the factory shall be punished with fine which may extend to fifty rupees or, if he has been previously convicted of any offence under this sub-section, to five hundred rupees.

7. Liability of lessee as owner.— (1) Where the owner of a cotton ginning or pressing factory has leased the factory for a period of not less than one month in the case of a cotton ginning factory, or three months in the case of a cotton pressing factory, and the lessor retains no interest in the management or profits of the factory and notice of the lease has been given by the lessor and the lessee to the prescribed authority, the lessee shall be deemed to be the owner of the factory, from the date of the notice and for the period of the continuance of the lease, for the purposes of section 3, in respect of the registers maintained or to be maintained from that date and for that period, and for the purposes of sections 4, 5 [, 5A] and 6.

(2) On the termination of the lease, the lessee shall hand over to the lessor the registers maintained under section 3, and the lessor shall forthwith report to the prescribed authority any default of the lessee in complying with the provisions of this sub-section or in maintaining the registers in accordance with the provisions of section 3.

(3) If default is made in handing over any register or making any report as required by this section, the lessor or the lessee, as the case may be, shall be punished with fine which may extend to fifty rupees.

8. Liability on transfer of ownership.— (1) On a transfer of the ownership of a cotton ginning or pressing factory the transferor shall hand over to the transferee the registers maintained under section 3, and the transferee shall forthwith report to the prescribed authority any default of the transferor in complying with the provisions of this sub-section or in maintaining the registers in accordance with the provisions of section 3.

(2) If default is made in handing over any register or making any report as required by sub-section (1), the transferor or the transferee, as the case may be, shall be punished with fine which may extend to fifty rupees.

9. Structural requirements for factories.— (1) In the case of cotton ginning factories the construction of which is commenced after the commencement of this Act—

(a) gin-houses shall be provided with separate entrances and exits for the bringing in of unginned and the taking out of ginned cotton respectively, and

(b) the factories shall be constructed in accordance with plans and specifications approved by the prescribed authority:

Provided that nothing in this sub-section shall apply to any factory in which only roller gins are used where the number of such gins is not more than four.

[(1A) In any cotton ginning factory whether erected before or after the commencement of this Act—

(a) no structural alterations or additions, the construction of which commenced after the 27th day of February, 1939, shall be made so as to minimise the degree of compliance of the factory as a whole with the requirements set forth in clauses (a) and (b) of sub-section (1), and

(b) every structural addition (whether actually attached to any existing structure in the factory or not), the construction of which commenced after the last mentioned date, shall be constructed in accordance with plans and specifications approved by the prescribed authority:



Provided that nothing in this sub-section shall apply to any factory in which, after any alteration or addition has been made, only roller gins are used where the number of such gins is not more than four.

(2) Within such period after the commencement of this Act as may be prescribed, the owner of every cotton pressing factory in which cotton is handled on the ground floor shall cause the press-house to be paved or provided with other suitable flooring to the satisfaction of the prescribed authority.

(3) If the owner of any factory fails to comply with any provision of this section which is applicable to the factory, he shall be punished with fine which may extend to one hundred rupees.

(4)(a) Where the owner of a factory has been convicted under sub-section (3), the prescribed authority may serve on the owner of the factory an order in writing directing that such alterations shall be made in the factory, before a specified date, as in the opinion of the said authority are necessary to secure compliance with the provisions of sub-section (1), [sub-section (1A)] or sub-section (2), as the case may be.

(b) Where the alterations are not made in accordance with the order served under clause (a) of this sub-section, the prescribed authority may serve on the owner and on the occupier, if any, of the factory an order in writing directing that the work of ginning or pressing cotton in such factory shall be suspended until the alterations have been made in accordance with the order served under clause (a) of this sub-section and the owner and the occupier, if any, shall be jointly and severally liable to fine which may extend to fifty rupees for each day on which cotton is ginned or pressed in the factory in contravention of the order served under this clause.

10. Liability of officers of a company.— Where the person guilty of an offence under this Act is a company, every director, manager, secretary and other officer thereof who is knowingly a party to the default shall also be guilty of the like offence and liable to the like punishment.

11. Cognizance of offences.— (1) No prosecution under this Act shall be instituted except by or with the previous sanction of the District Magistrate [* * *] or a Magistrate of the first class specially empowered in this behalf by the [Provincial Government].

(2) No offence punishable under this Act shall be tried by any Court inferior to that [* * *] of a Magistrate of the first class.

12. Power of the Provincial Government to make rules.— The [Provincial Government] may make rules to provide for—

(a) the allotment of a special mark to be used by each pressing factory for the purpose of the marking of bales;

(b) the manner in which bales shall be marked; and

(c) the standard weights and scales to be used in cotton ginning and cotton pressing factories in any part of [Pakistan] and the inspection of the same].

13. Power of the Provincial Government to make rules.— The [Provincial Government] may by notification in the [Official Gazette], make rules consistent with this Act to provide for all or any of the following matters, namely:-

(a) the forms in which registers, records and returns are to be maintained or submitted and the inspection of records and registers;

(b) the appointment of the authority to whom and the time within which the returns required by [sections 5 and 5A] shall be made;

(c) [* * * * *]

(d) the appointment of authorities for the purposes of sections 7, 8 and 9;

(e) the manner of service of orders made under section 9;

(f) the powers of entry and inspection which may be exercised by District Magistrates or by any officer specially empowered in this behalf by the [Provincial Government];

(g) any other matter which is to be or may be prescribed or for which provision is necessary in order to carry out the purposes of this Act.

14. Power to reject unmarked bales in fulfillment of contracts.— [(1)] After the expiration of one year from the commencement of this Act, any person who has made a contract for the purchase of baled cotton may require that no bales other than bales marked [with the mark prescribed under



section 4 for the factory in which they were pressed] shall be supplied in fulfillment of such contract, and, if he does so require, no bale not so marked shall be tenderable in fulfillment of the contract:

[* * * * *]

[(2) Any bale marked in accordance with the provisions of section 4 shall, within the meaning of the Evidence Act, 1872, be presumed for all purposes as between the parties to a contract for the purchase of baled cotton, to have been so marked before leaving the factory in which it was pressed.]

15. Protection for acts done under Act.— No suit or other legal proceeding shall be instituted against any person in respect of anything which is in good faith done or intended to be done under this Act.



**Annex 2: The West Pakistan Cotton Control (Validation Of Levy Of Fees) Ordinance, 1966
(W.P. Ord. XIII of 1966)**

C O N T E N T S

SECTIONS

1. Short title and extent.
2. Validation of levy of fees, etc., from occupiers of cotton factories, etc.

**THE WEST PAKISTAN COTTON CONTROL (VALIDATION OF LEVY OF FEES) ORDINANCE,
1966**

(W.P. Ordinance XIII of 1966)

[27 April 1966]

An Ordinance to validate the levy, charging, collection and realization of fees from the occupiers of cotton factories, cotton dealers and managers of companies

Preamble.— WHEREAS it is expedient to validate the levy, charging, collection and realization of fees from the occupiers of cotton ginning, cotton pressing and cotton seed oil factories, cotton dealers and managers of companies, for the period from 24th March, 1949 to 3rd January, 1954;

AND WHEREAS the Provincial Assembly of West Pakistan is not in session and the Governor of West Pakistan is satisfied that circumstances exist which render immediate legislation necessary;

Now, THEREFORE, in exercise of the powers conferred on him by clause (1) of Article 79 of the Constitution, the Governor of West Pakistan is pleased to make and promulgate the following Ordinance, namely:-

1. Short title and extent.— (1) This Ordinance may be called the West Pakistan Cotton Control (Validation of Levy of Fees) Ordinance, 1966.

(2) It extends to the Districts of Campbellpur, Dera Ghazi Khan, Gujranwala, Gujrat, Jhelum, Jhang, Lahore, Lyallpur, Mianwali, Sahiwal, Multan, Muzaffargarh, Rawalpindi, Sargodha, Sheikhpura and Sialkot.

2. Validation of levy of fees, etc., from occupiers of cotton factories, etc.— Notwithstanding anything contained in clause (p) of section 30 of the West Punjab Cotton (Control) Act, 1949 (Punjab Act IV of 1949), before its amendment by the Punjab Cotton (Control) (Amendment) Act, 1953 (Punjab Act I of 1954), or any judgment or decree of any Court, the fees levied, charged, collected or realized from the occupiers of cotton ginning, cotton pressing or cotton seed oil factories, cotton dealers or managers of companies for the period from 24th March, 1949 to 3rd January, 1954, in accordance with the provisions of the said clause (p) as substituted by the Punjab Cotton (Control) (Amendment) Act, 1953, shall be deemed to have been validly levied, charged, collected or realised, as the case may be, and where any such fees have not been paid or realized before the coming into force of this Ordinance, the same shall be recoverable in accordance with the provisions of the said clause (p) as substituted by the Punjab Cotton (Control) (Amendment) Act, 1953.

This Ordinance was promulgated by the Governor of West Pakistan on 24th April, 1966; approved by the Provincial Assembly of West Pakistan on 31st May, 1966, under clause (3) of Article 79 of the Constitution of the Islamic Republic of Pakistan (1962); and, published in the West Pakistan Gazette (Extraordinary), dated 31st May, 1966, pages 1553-54.



Annex 3: The Punjab Cotton Control Ordinance, 1966

(W.P. Ord. XX of 1966) CONTENTS

SECTIONS

1. Short title, extent and commencement.
2. Definitions.
3. Constitution of Cotton Control Board and Advisory Committees.
4. Powers and duties of the Board and the Advisory Committees.
5. Inspectors.
6. Administration of the Ordinance.
7. Licence for working cotton ginning or cotton pressing or cotton seed oil factories.
8. Maintenance of registers.
9. Liability on change of occupancy.
10. Returns of a ginning factory.
11. Returns of a pressing factory.
- 11-A. Submission of monthly returns by cotton ginning and cotton pressing factories.
12. Returns of a cotton seed oil factory.
13. Marking of bales.
14. Scales and weights.
15. Structural requirements.
16. Prohibition on admixture of different varieties of cotton.
17. Punishment for admixture, adulteration, contamination and watering cotton.
18. Determination of occupiers for purposes of punishments under this Ordinance.
19. Cognizance and prosecution of offences.
20. Power to reject un-marked bales in fulfillment of contracts.
21. Growing of particular varieties.
22. Power to issue notification prohibiting import of cotton into specified areas.
23. Refusal to carry unlicensed cotton.
24. Procedure when cotton arrives at a place within a notified area.
25. Pure seed.
26. Regulation of the price of cotton.
27. Grading and marketing of cotton.
28. Protection of persons acting under this Ordinance.
29. Power to exempt from the Ordinance and rules.
30. Power of Government to frame rules.
31. Repeal and savings.

THE [PUNJAB] COTTON CONTROL ORDINANCE, 1966

(W.P. Ordinance XX of 1966)

[11 May 1966]

An Ordinance to amend and consolidate the law relating to control over the production, processing and sale of cotton, and other matters incidental thereto

Preamble.— WHEREAS it is expedient to amend and consolidate the law relating to control over the production, processing and sale of cotton, and other matters incidental thereto;

AND WHEREAS the Provincial Assembly of West Pakistan is not in session, and the Governor of West Pakistan is satisfied that circumstances exist which render immediate legislation necessary;

Now, THEREFORE, in exercise of the powers conferred on him by clause (1) of Article 79 of the Constitution, the Governor of West Pakistan is pleased to make and promulgate the following Ordinance:-

1. Short title, extent and commencement.— (1) This Ordinance may be called the [Punjab] Cotton Control Ordinance, 1966.



(2) It extends to the whole of the Province of [the Punjab], except the Tribal Areas.

(3) It shall come into force at once.

2. Definitions.— In this Ordinance, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, that is to say—

- (a) “admixture of cotton” means such mixture of different varieties of cotton as may be prescribed;
- (b) “Advisory Committee” means a committee established under section 3;
- (c) “bale” means any pressed package of cotton [with standard net weight of 170 kgs. and variation of 5% plus/minus at 8.5% moisture content, and with average weight of 17,000 kgs. for a lot of 100 bales with variation upto plus/minus 3%];
- (d) “Board” means the Cotton Control Board established under section 3;
- [(dd) “contamination” means mixture of any foreign metal, especially the fibre other than cotton, as may be prescribed;]
- (e) “cotton” means ginned or unginned cotton or pressed and baled cotton or cotton waste;
- (f) “cotton dealer” means a person or a firm or a company, dealing in cotton, which received five hundred mounds or more of cotton or cotton seed in any one month during the cotton year;
- (g) “cotton ginning factory” means any premises including the precincts thereof, where cotton is ginned or where cotton fibre is separated from cotton-seed, by any process whatever involving the use of power;
- (h) “cotton pressing factory” means any premises, including the precincts thereof, in which cotton is pressed into bales with the aid of power;
- (i) “cotton seed oil factory” means any premises including the precincts thereof, where cotton seed is pressed, with the aid of power, for the extraction of oil, whether or not the same machinery is used for the extraction of oil from any other type of seed;
- (j) “cotton waste” includes droppings, strippings, fly, fuzz and other waste products of a cotton mill, or of a cotton ginning factory, or of a cotton pressing factory, but does not include yarn waste;
- (k) “cotton year” means the year beginning from [1st August] to [31st July] of the following year;
- (l) [“Director General of Agriculture (Ext. & AR) Punjab, Executive District Officer Agriculture, District Officer Agriculture (Extension) and Deputy District Officer Agriculture (Extension)”] respectively mean the persons appointed by Government to perform the functions of a [“Director General of Agriculture (Ext. & AR) Punjab, Executive District Officer Agriculture, District Officer Agriculture (Extension), Deputy District Officer Agriculture (Extension)”], as the case may be;
- (m) “factory” means a cotton ginning or cotton pressing or a cotton seed oil factory, as the context may require;
- (n) “Government” means the [Provincial Government of the Punjab];
- [(nn) “Inspector” means an officer or person appointed as Inspector under section 5 of this Ordinance;]
- (o) “licence” means a licence granted under this Ordinance;
- (p) “cotton market” means any building or area where transactions in ginned or unginned cotton, or in cotton seed, whether spot or forward, are conducted for the time being;
- (q) “notified area” means an area notified as such under section 22;
- (r) “occupier” means the person who has ultimate control of the affairs of a factory [whether as owner or otherwise], and includes the Manager or Managing Agent of the factory and any other person or persons authorised to represent the occupier;
- [(rr) “owner” means a person who owns a factory and includes an allottee thereof;]
- (s) “power” means power generated by electricity or heat engine, and includes any other power except animal and human power;



- (f) “prescribed” means prescribed by rules made under this Ordinance;
- (u) “pure seed” means such cotton seed as has been declared pure by the prescribed authority;
- (v) “variety” means any variety of cotton approved by Government and notified under this Ordinance.

3. Constitution of Cotton Control Board and Advisory Committees.— (1) Government shall establish for the whole of [the Punjab] a Cotton Control Board.

(2) Government may also constitute Advisory Committees for the Province or parts thereof.

(3) The Board and each Advisory Committee shall be constituted in such manner and shall consist of such number of members as may be prescribed.

4. Powers and duties of the Board and the Advisory Committees.— The Board and the Advisory Committees shall exercise such powers and perform such functions and their business shall be conducted in such manner and in accordance with such procedure as may be prescribed.

5. Inspectors.— (1) Every [Director General of Agriculture (Ext. & AR) Punjab, Executive District Officer Agriculture, District Officer Agriculture (Extension), Deputy District Officer Agriculture (Extension) and Cotton Inspector], shall be an *ex-officio* Inspector for the purposes of this Ordinance within his respective jurisdiction.

(2) Government may, by notification, [appoint any person] to exercise and perform all or any of the powers and duties conferred or imposed upon an Inspector by or under this Ordinance, within such local limits as Government may specify.

(3) An Inspector may—

- (a) on his own motion or on receipt of a complaint that there has been a contravention of any provision of this Ordinance, cause any cotton or the contents of any package or bale or a sample of cotton taken from a factory in the process of ginning to be examined by the prescribed authority; and
- (b) enter into and inspect during the usual working hours any factory for the purpose of ascertaining whether there is, or has been, any contravention therein of any of the provisions of this Ordinance or of any rule made thereunder, or of any of the conditions subject to which a licence has been granted to the factory and take samples from all such articles in respect of which an offence punishable under this Ordinance appears to have been committed.

(4) An Inspector shall exercise such other powers and perform such functions as may be prescribed.

[(5) An Inspector appointed under sub-section (2), shall be deemed to be a public servant within the meaning of section 21 of the Pakistan Penal Code.]

6. Administration of the Ordinance.— Government may, by notification, appoint an officer to exercise and perform all or any of the powers and duties conferred or imposed on Government under this Ordinance.

7. Licence for working cotton ginning or cotton pressing or cotton seed oil factories.— [(1) No factory shall be worked without a licence and an identification number granted to the owner thereof by such authority, in such form, on payment of such fees payable for each year or otherwise, as may be prescribed, and subject to the conditions that the factory shall have—

- (a) an adequate number of raised and ‘pucca’ platforms as specified by Government through notification;
- (b) a pre-cleaning machinery as specified by Government through notification;



- (c) a lint clearing machinery;
- (d) proper maintenance and upkeep of ginning machinery;
- (e) availability of technical staff as specified by Government through notification;
- (f) availability of PCSI standard grade boxes for seed, cotton and lint; and
- (g) any other condition that may be specified by Government through notification.]

(2) A licence granted under this section shall be valid for such period and shall be subject to such conditions as may be prescribed.

[(3) The authority competent to grant a licence under this section may, after giving the owner an opportunity of being heard, cancel or suspend the licence or refuse its renewal, for such period as it may deem fit, on the ground of non-fulfilment of any condition laid down under sub-section (1) and non-payment of any fee specified under clause (l) of sub-section (2) of section 30 or violation of any other provision of this Ordinance.]

[(3-A) Any owner aggrieved by an order passed under sub-section (3) may, within seven days of the order, prefer an appeal before Government, whose decision shall be final.]

[Provided that no order under this sub-section shall be passed unless an opportunity of being heard is given to the appellant].

(4) A licence granted under this section shall cease to have effect seven days after the expiry of the cotton year for which the prescribed annual fee payable in respect of the licence has been paid.

[(5) If any person works a factory in respect of which a licence has not been granted or renewed or has been suspended or cancelled, the Inspector shall seal the factory and occupier thereof shall be punishable with imprisonment which may extend to six months but not less than one month and with fine which may extend to fifteen thousand rupees.]

8. Maintenance of registers.— (1) The occupier of every cotton ginning factory shall maintain at the factory, in such form as may be prescribed—

- (a) a register containing the record of the amount of cotton received daily in the factory for ginning, the names of persons from whom it is received, and the quantity received from each person, and
- (b) a ginning register containing a record of the dates on which the cotton has been ginned for each person.

(2) The occupier of every cotton pressing factory shall maintain at the factory, in such form as may be prescribed, a press register containing a daily record of the number of bales pressed in the factory, the serial number of each bale, and the name of the person for whom it has been pressed.

(3) The occupier of every cotton seed oil factory shall maintain such registers as may be prescribed.

(4) The occupier of a factory shall be bound to produce the registers maintained under this section whenever so required by an Inspector and the occupier of a cotton pressing factory shall be bound to furnish to the prescribed authority, if so required by it in writing, a copy, certified as correct by the occupier, of the entry relating to any specified bale, made in the press register maintained at the factory under the provisions of sub-section (2).

(5) No register required to be maintained under this section shall be destroyed until after the expiration of three years from the date of the last entry borne by it.

(6) If—

- (i) in any factory, any register required to be maintained under this section is not maintained or is maintained in a form other than the prescribed form; or
- (ii) any entry in any such register is proved to be false in any material particular; or



- (iii) any such register is destroyed before the expiration of the period referred to in sub-section (5),

the occupier of the factory shall be punishable with [imprisonment which may extend to three months and with fine not less than fifteen thousand rupees].

(7) If the occupier of any factory fails to produce any register or to furnish a certified copy of an entry when so required under sub-section (4), or furnishes a certified copy of such entry knowing or having reason to believe such copy to be false, he shall be punishable with fine [not less than fifteen thousand rupees], and if he has previously been convicted of any offence under this sub-section, [he shall be punishable with imprisonment not less than three months].

9. Liability on change of occupancy.— (1) A change in the occupancy of any factory shall be intimated, in writing to the prescribed authority by both the previous and the new occupier, within thirty days of the date on which the change takes place.

(2) On a change in the occupancy of any factory—

- (a) the previous occupier shall hand over to the new occupier the registers maintained in respect of the factory under section 8 and obtain from the new occupier a receipt in this behalf; and
- (b) the new occupier shall forthwith report to the prescribed authority any default on the part of the previous occupier in complying with the provisions of this sub-section or in maintaining the registers in accordance with the provisions of section 8.

(3) If default is made by the previous occupier in handing over to the new occupier any register which he is required to hand over to him, or either of them makes default in making any report, the previous or the new occupier, as the case may be, shall be punishable with fine [not less than fifteen thousand rupees].

10. Returns of a ginning factory.— (1) The occupier of every cotton ginning factory shall furnish to the prescribed authority, within such time and in such form as may be prescribed, weekly returns showing the quantity of cotton ginned in the factory—

- (a) during the preceding week; and
- (b) since the commencement of the cotton year to the end of that week.

(2) The prescribed authority shall compile from the weekly returns received under sub-section (1), a statement showing the total quantity of cotton ginned in the Province during the week to which the returns relate and from the commencement of the cotton year to the end of that week and publish such statement in such manner as Government may direct:

Provided that the quantity of cotton ginned in any individual factory shall not be published.

(3) If default is made in furnishing any return as required by sub-section (1), the occupier of the factory shall be punishable with fine [not less than fifteen thousand rupees].

(4) Where the occupier of a ginning factory has notified to the prescribed authority that the work of ginning cotton in that factory has been suspended, it shall not be necessary for him to submit weekly returns under sub-section (1) until such work has been resumed.

11. Returns of a pressing factory.— (1) The occupier of every cotton pressing factory shall furnish to the prescribed authority, within such time and in such form as may be prescribed, weekly returns showing the total number of bales of cotton pressed in the factory—

- (a) during the preceding week and their approximate average net weight; and
 - (b) since the commencement of the cotton year to the end of that week.
- (2) The prescribed authority shall compile from the weekly returns received under sub-section (1), a statement showing the total number of bales pressed in the Province during the week to which the returns relate and from the commencement of the cotton year to the end of that week, and publish such statement in such manner as Government may direct:



Provided that the number of bales pressed in an individual factory shall not be published.

(3) If default is made in furnishing any return as required by sub-section (1), the occupier of the factory shall be punishable with [imprisonment which may extend to three months but not less than one month and with fine not less than fifteen thousand rupees].

(4) Where the occupier of a cotton pressing factory has notified to the prescribed authority that the work of pressing bales in that factory has been suspended, it shall not be necessary for him to submit weekly returns under sub-section (1) until such work has been resumed.

[11-A. Submission of monthly returns by cotton ginning and cotton pressing factories.] (1) The occupier of every cotton ginning factory and cotton pressing factory shall furnish to the prescribed authority, within such time and in such form as may be prescribed, monthly returns showing quantity of cotton received in the factory—

(a) during the preceding month; and

(b) since the commencement of the cotton year to the end of that month.

(2) If default is made in furnishing any return as required by sub-section (1), the occupier of the factory shall be punished with [imprisonment which may extend to three months but not less than one month and with fine not less than fifteen thousand rupees].

(3) Where the occupier of the factory has notified to the prescribed authority that the work of ginning cotton or pressing cotton bales in that factory has been suspended, it shall not be necessary for him to submit monthly returns under sub-section (1) until the work is resumed.]

12. Returns of a cotton seed oil factory.] (1) The occupier of every cotton seed oil factory shall furnish to the prescribed authority, within such time and in such form as may be prescribed, weekly returns showing the quantity of cotton seed crushed in the factory—

(a) during the preceding week; and

(b) since the commencement of the cotton year to the end of that week.

(2) The prescribed authority shall compile from the weekly returns received under sub-section (1), a statement showing the total quantity of cotton seed crushed in the Province during the week to which the returns relate and from the commencement of the cotton year to the end of that week, and publish such statement in such manner as Government may direct:

Provided that the quantity of cotton seed crushed in any individual factory shall not be published.

(3) If default is made in furnishing any return as required by sub-section (1), the occupier of the factory shall be punishable with fine [not less than fifteen thousand rupees].

(4) Where the occupier of a cotton seed oil factory has notified to the prescribed authority that the work of crushing cotton seed in that factory has been suspended, it shall not be necessary for him to submit weekly returns under sub-section (1) until such work has been resumed.

13. Marking of bales.] (1) The occupier of every cotton pressing factory shall cause every bale pressed in the factory to be marked, in such manner as may be prescribed, before it is removed from the factory, with a serial number and with the mark prescribed for the factory.

(2) Every bale which contains cotton from the crop relating to the current cotton year mixed with cotton from the crop relating to any previous cotton year shall be clearly marked, in the prescribed manner, to distinguish it from the bales containing exclusively cotton from the crop relating to the current cotton year.

(3) If any bale is removed from the premises of any cotton pressing factory without having been marked [or is stored without marking beyond one week], as required by sub-section (1) or sub-section (2), the occupier of the factory shall be punishable with imprisonment which may extend to [three months but not less than one month]

14. Scales and weights.] (1) No scales or weights shall be used in any factory other than the scales and weights prescribed under the [Punjab Weights and Measures (International System) Enforcement Act, 1975 (LII of 1975)].



[(1-a) The occupier of every cotton ginning factory shall install a weighbridge within the premises of his factory.]

(2) If in any factory, any scales or weights are used in contravention of the provisions of sub-section (1), the occupier of the factory shall be punishable with fine [not less than fifteen thousand rupees].

15. Structural requirements.— (1) No person shall commence the construction of any new factory or any extension of an existing factory, which is likely to increase its capacity for ginning or pressing cotton or crushing cotton seed, unless he has been granted a licence under this sub-section by such authority, in such form, subject to such conditions and on payment of such fees, as may be prescribed.

(2) A licence under sub-section (1) shall be valid for such period as may be specified therein, and may be revalidated, on payment of the prescribed fee, [by the competent authority for a specified period].

(3) In the case of cotton ginning factories, the construction of which is commenced after the commencement of this Ordinance—

(a) gin-houses shall be provided with separate entrances and exit for the bringing in of unginned and the taking out of ginned cotton, respectively; and

(b) the factories shall be constructed in accordance with plans and specifications previously approved by the prescribed authority:

Provided that nothing in this sub-section shall apply to any factory in which only roller gins are used and where the number of such gins is not more than four.

(4) In any cotton ginning factory, whether constructed before or after the commencement of this Ordinance—

(a) no alterations or additions, whether structural or in plant or machinery, shall be made so as to minimise the degree of compliance of the factory as a whole with the requirements set forth in clauses (a) and (b) of sub-section (3); [* * *]

(b) every addition, whether structural or in plant or machinery, made after the commencement of this Ordinance, shall be made in accordance with the plans and specifications previously approved by the prescribed authority [; and]

[(c) the saws of each and every ginning machine shall be replaced with new ones after ginning of three thousand bales:]

Provided that nothing in this sub-section shall apply to any factory in which, after any alteration or addition has been made, only single roller gins, not more than four in number are left.

(5) The occupier of a cotton ginning factory, whether erected before or after the coming into force of this Ordinance, shall provide in the factory such number of delinting machines as the prescribed authority may, by order in writing, direct.

(6) The occupier of every cotton pressing factory, in which cotton is handled on the ground floor, shall cause the pressing-house to be paved or provided with other suitable flooring to the satisfaction of the prescribed authority.

(7) If the occupier of any [small gin or middle gin] factory fails to comply with any of the provisions of this section applicable to the factory or, an order made under sub-section (5), he shall be punishable with imprisonment which may extend to [six months but not less than one month].

(8) Where the occupier of a factory has been convicted of an offence punishable under sub-section (7), the prescribed authority may serve on him an order in writing directing that such alterations shall be made, or so many delinting machines shall be provided in the factory, by a



specified date, as in the opinion of the authority, are necessary to secure compliance with the provisions of sub-section (3), (4), (5) or (6), as the case may be.

(9) Where the alterations are not carried out or the delinting machines are not provided, in accordance with the order served on the occupier of the factory under sub-section (8), the prescribed authority may serve on the occupier of the factory an order in writing directing that the work ginning or pressing of cotton in such factory shall be suspended until the alterations have been carried out or the delinting machines have been provided in accordance with the order made under sub-section (8).

(10) The occupier of a factory shall be liable to fine [not less than five thousand rupees] for each day on which cotton is ginned or pressed in the factory in contravention of an order served on him under sub-section (9).

Explanation— For the purposes of this section, the equivalents of other types of gins, such as double roller gins and saw gins, in terms of single roller gins, shall be such as may be prescribed.

16. Prohibition on admixture of different varieties of cotton.— Government may, by notification, declare that in any area specified in such notification, [no variety except the one allowed shall be grown] no cotton which contains an admixture of different varieties of cotton, in excess of the prescribed limits, shall be ginned or pressed in any factory [and no person shall sell seed of any variety/hybrid except the one allowed to be grown in the area.]

[17. Punishment for admixture, adulteration, contamination and watering cotton.— (1) Any occupier of a factory or any other person—

(a) who handles or facilitate handling cotton in any cloth made of other than cotton fiber, uses twines made of any fiber other than cotton, waters seed cotton or lint beyond specified limits (more than [8.5]%) allows any foreign substance i.e. jute fiber, jute twines, polypropylene bags, human/animal hair, confectionary wrappers, etc. etc., gins or presses or allows such cotton to be ginned or pressed in such factory; or

(b) who, in any area specified in the notification under section 16, gins or presses or allows to be ginned or pressed any cotton which he knows or has reasons to believe to contain an admixture of different varieties of cotton;

shall be punishable with imprisonment which may extend to six months and with fine which shall not be less than fifteen thousand rupees.

(2) Any owner of cotton who knowingly waters or causes to be watered any cotton to be ginned, or which being already ginned, and is intended to be pressed in a factory or mixes or causes to be mixed other varieties, seed, foreign substance or cotton waste with such cotton, or who abets or knowingly allows or connives at any such act, shall be punishable with imprisonment which may extend to six months and with fine which may extend to fifteen thousand rupees.

Explanation— For the purposes of this section, cotton shall not be deemed to be watered unless such cotton contains moisture in excess of the normal quantity (not more than 10%), that is to say, the amount of moisture that any given quantity of cotton is reasonably expected to have, regard being had to the place or places and the time or times of the year in which such cotton has been picked, collected, stored, conveyed, left, ginned or pressed.]

18. Determination of occupiers for purposes of punishments under this Ordinance.— (1) Where the occupier of a factory is—

(a) a firm or other association of individuals, every partner of such firm or member of such association shall be liable to be prosecuted and punished under this Ordinance, for any offence for which the occupier of the factory is punishable;

(b) a company, all the directors thereof, or, in the case of a private company, all the shareholders thereof, shall be liable to be prosecuted and punished under this Ordinance for any offence for which the occupier of the factory is punishable:

Provided that the firm, association or company may give notice to the prescribed authority that it has nominated one of its partners or members, or, as the case may be, a director (or, in



the case of a private company, a share-holder) to be the occupier of the factory for the purposes of this section, and such partner, member, director or share-holder, as the case may be, shall thereupon be deemed to be the occupier of the factory for the purposes of this section, until further notice cancelling his nomination is received by the prescribed authority or until he ceases to be a partner, member, director or share-holder.

[19. Cognizance and prosecution of offences.] (1) The offences punishable under this Ordinance shall be cognizable and non-bailable; provided that a police officer shall not register or investigate a case relating to an offence except on a complaint by the Inspector, and the Public Prosecutor shall be responsible for conducting prosecution of offences under this Ordinance.

(2) No court inferior to that of a Magistrate or first class shall try an offence punishable under this Ordinance.]

20. Power to reject un-marked bales in fulfillment of contracts.— (1) Any person, who has made a contract for the purchase of baled cotton, [shall] require that no bales other than bales marked with the mark prescribed under section 13 for the factory in which they were pressed, shall be supplied in fulfillment of such contract, and, if he does so require, no bales not so marked shall be tendered in fulfillment of the contract.

(2) Any bale marked in accordance with the provisions of section 13 shall, within the meaning of the Evidence Act, 1872 (I of 1872) be presumed for all purposes as between the parties to a contract for the purchase of baled cotton, to have been so marked before leaving the factory in which it was pressed.

21. Growing of particular varieties.— (1) Government may, by notification, prohibit the growing of all or any varieties of cotton in a particular area.

(2) Whoever, in contravention of a notification issued under sub-section (1), grows any cotton or any variety of cotton in an area where its growing is prohibited shall be punishable with fine which may extend to [not less than fifteen thousand rupees for every acre put under such prohibited variety].

22. Power to issue notification prohibiting import of cotton into specified areas.— (1) Government may for the purpose of avoiding adulteration in the cotton grown in any area in the Province, by notification, prohibit the import of any cotton or cotton seed or any specified variety or varieties of cotton or cotton seed into an area where their cultivation is forbidden under this Ordinance, by rail, road, air or sea, or by more than one of such means, save under and in accordance with the conditions of a licence granted in the manner, by the authority and on payment of such fee as may be prescribed:

Provided that no such notification shall be deemed to prohibit the import into any notified area of packages containing any kind of cotton samples not exceeding ten pounds avoirdupois in weight.

(2) Delivery to, and the taking of delivery by, any person, at any place situated within a notified area, of any cotton, the import of which into that area is prohibited, shall be illegal unless such person holds a licence for the import of such cotton into that area.

[(3) Any violation made by a person under this section shall be punishable with fine of five hundred rupees per kg. of cotton lint or seed imported into the prohibited zone.]

23. Refusal to carry unlicensed cotton.— (1) Notwithstanding anything contained in the Railways Act, 1890 (IX of 1890), or any other law for the time being in force, no person who receives goods for the purposes of transport, whether by rail, road, river or any other means, shall so receive at, or forward or allow to be carried from, any place any cotton consigned to a place in a notified area, unless both places are in the same notified area, or unless the consignor produces a certified copy of a licence for the import of the cotton into the notified area in which such place is situated.



(2) A certified copy of a licence where so produced shall be attached to the invoice or way-bill, as the case may be, and shall accompany the consignment to its destination, and shall there be dealt with in the prescribed manner.

24. Procedure when cotton arrives at a place within a notified area.— (1) When any cotton, the import of which into a notified area has been prohibited, has been consigned to and arrives at the destination in any such area, no person shall, unless both the place of despatch and the place of delivery are situated in the same notified area, deliver the cotton to the consignee or any other person until he is satisfied that the consignee holds a licence for the import of the cotton into the notified area; and if the person receiving the cotton or cotton seed is not satisfied that the consignee holds a licence for the import thereof into the notified area, or if within fourteen days from the receipt of the goods the consignee or some person acting on his behalf, does not appear in order to take delivery thereof, he shall return the cotton to the place of despatch together with an intimation that delivery of the cotton has been refused or has not been taken, as the case may be.

(2) Any person receiving any cotton returned under sub-section (1) shall cause to be served on the consignor a notice stating that the cotton has been so returned and requiring the consignor to pay the railway freight and any rates, terminal or other charges due in respect of the carriage of the cotton to and from the place to which it was consigned, and such charges shall be deemed to be due from the consignor.

(3) Any person who contravenes the provisions of section 22 or section 23 or who, without reasonable excuse, the burden of proving which shall lie upon him, in contravention of the provisions of sub-section (1) of this section, delivers any cotton to a consignee or other person, shall be liable on first conviction to a fine [not less than fifteen thousand rupees and upon any subsequent conviction, to imprisonment which may extend to six months but not less than one month].

25. Pure seed.— Government may direct that any cotton which has been reserved wholly or partially for procuring pure seed for sowing purposes by the prescribed authority shall not be ginned without special permission from the authority, which may be granted subject to such conditions as may be prescribed in this behalf.

26. Regulation of the price of cotton.— (1) Government may, by notification, fix the maximum and minimum prices which shall be paid for any variety of cotton or cotton seed in any cotton market or notified area.

[(2) Whoever, in contravention of a notification issued under sub-section (1), pays less than support price, for any variety of cotton, shall be punishable with imprisonment which may extend to three months but not less than one month].

27. Grading and marketing of cotton.— Government may, by notification, regulate the grading [, standardization] and marketing of cotton.

28. Protection of persons acting under this Ordinance.— No suit or other legal proceedings shall be instituted against any person in respect of any action in good faith taken under this Ordinance.

29. Power to exempt from the Ordinance and rules.— Government may, by notification, exempt any factory or class of factories from all or any of the provisions of this Ordinance or the rules framed thereunder.

30. Power of Government to frame rules.— (1) Government may, by notification, frame rules consistent with this Ordinance to give effect to the provisions of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely:-

- (a) the constitution and functions of the Board and Advisory Committees;
- (b) the appointment, powers and functions of Inspectors;
- (c) the conditions for the grant of licences for working factories;



- (d) the forms in which registers, records and returns shall be maintained or furnished by occupiers of factories, and the inspection of such registers and records;
- (e) the allotment of a special mark to be used by each cotton ginning and pressing factory;
- (f) the manner in which bales shall be marked;
- (g) the persons or bodies authorised to examine bales or cotton seed under sub-section (3) of section 5;
- (h) the substances [and their extent which shall constitute an admixture, adulteration and contamination of cotton];
- (i) the time within which the returns required by sections 10, 11, and 12 shall be furnished;
- (j) the appointment of authorities for the purposes of sections 7, 8, 9, 10, 11, 12, 15, 17, 18, 19, 22 and 25;
- (k) the manner of service of orders made under section 15;
- (l) the fees to be paid by the [owners] of factories or by cotton dealers or by managers of companies at the rates to be prescribed by Government, for the development and improvement of agriculture relating to cotton crop, and for meeting the expenses on the administration of this Ordinance;
- (m) the manner in which fees shall be realised or recovered; and
- (n) any other matter for which provision is deemed necessary in order to carry out the purposes of this Ordinance.

31. Repeal and savings.— (1) The West Punjab Cotton Control Act, 1949 (IV of 1949), [the Bahawalpur Cotton Control Act, 1949, the Cotton Act, 1952 (Khairpur Act V of 1952)], and the Sind Cotton Control Act, 1954 (I of 1954), are hereby repealed.

(2) Notwithstanding the repeal of the enactments mentioned in sub-section (1), anything done, action taken, obligation, liability, penalty or punishment incurred, inquiry or proceedings commenced, officer appointed or person authorised, jurisdiction or power conferred, rule made, fee imposed or realised and order issued under any of the provisions of the said enactments shall, if not inconsistent with the provisions of this Ordinance, continue in force and be deemed to have been respectively done, taken, incurred, commenced, appointed, authorised, conferred, made, imposed, realised or issued under this Ordinance.



**Annex 4: The Bahawalpur Cotton Control (Validation Of Levy Of Fees) Ordinance, 1967
(W.P. Ord. I of 1967)
CONTENTS Sections**

1. Short title and extent.
2. Validation of levy of fees, etc. from occupiers of cotton factories, etc.

**THE BAHAWALPUR COTTON CONTROL (VALIDATION OF LEVY OF FEES) ORDINANCE, 1967
(W.P. Ordinance I of 1967)**

[23 May 1967]

An Ordinance to validate the levy, charging, collection and realization of fees under the Bahawalpur Cotton (Control) Act, 1949, from the occupiers of cotton factories, cotton dealers and managers of companies

Preamble.— WHEREAS it is expedient to validate the levy, charging, collection and realization of fees under the Bahawalpur Cotton (Control) Act, 1949, from the occupiers of cotton ginning, cotton pressing and cotton seed oil factories, cotton dealers and managers of companies in certain areas of West Pakistan, for the period from 27th November 1949 to 8th May, 1954;

AND WHEREAS the Provincial Assembly of West Pakistan is not in session and the Governor of West Pakistan is satisfied that circumstances exist which render immediate legislation necessary;

Now, THEREFORE, in exercise of the powers conferred on him by clause (1) of Article 79 of the Constitution, the Governor of West Pakistan is pleased to make and promulgate the following Ordinance:-

1. Short title and extent.— (1) This Ordinance may be called the Bahawalpur Cotton Control (Validation of Levy of Fees) Ordinance, 1967.

(2) It extends to the Districts of Bahawalpur, Bahawalnagar and Rahimyar Khan.

2. Validation of levy of fees, etc. from occupiers of cotton factories, etc.— Notwithstanding anything contained in clause (p) of section 30 of the Bahawalpur Cotton (Control) Act, 1949, before its amendment by the Bahawalpur Cotton (Control) (Amendment) Act, 1954, or any judgment or decree of any Court, the fees levied, charged, collected or realized from the occupiers of cotton ginning, cotton pressing or cotton seed oil factories, cotton dealers or managers of companies for the period from 27th November, 1949 to 8th May, 1954, in accordance with the provisions of the said clause (p) as substituted by the Bahawalpur Cotton (Control) (Amendment) Act, 1954, shall be deemed to have been validly levied, charged, collected or realised, as the case may be, and where any such fees have not been paid or realized before the coming into force of this Ordinance, the same shall be recoverable in accordance with the provisions of the said clause (p) as substituted by the Bahawalpur Cotton (Control) (Amendment) Act, 1954.

This Ordinance was promulgated by the Governor of West Pakistan on 6th February, 1967; approved by the Provincial Assembly of West Pakistan on 23rd May, 1967, under clause (3) of Article 79 of the Constitution of the Islamic Republic of Pakistan (1962); and, published in the West Pakistan Gazette (Extraordinary), dated 23rd May, 1967, pages 1415-A to 1415-B.



**Annex 5: The Punjab Cotton Control (Validation of Levy Of Fees) Ordinance, 1971
(Pb Ord. XIX of 1971)
CONTENTS**

SECTIONS

1. Short title and extent.
2. Validation of levy of fees from occupiers of cotton factories, etc., run by diesel.

**THE PUNJAB COTTON CONTROL (VALIDATION OF LEVY OF FEES) ORDINANCE, 1971
(Pb Ordinance XIX of 1971)**

[4 October 1971]

An Ordinance to validate the levy, charging, collection and realization of fees from the occupiers of cotton factories run by diesel

WHEREAS it is expedient to validate the levy, charging, collection and realization of fees under the West Punjab Cotton (Control) Act, 1949 and the Bahawalpur Cotton (Control) Act, 1949 from the occupiers of cotton ginning factories run by diesel;

NOW, THEREFORE, in pursuance of the Martial Law Proclamation of 25th March, 1969, read with the Provisional Constitution Order, and in exercise of all powers enabling him in that behalf, the Governor of the Punjab is pleased to make and promulgate the following Ordinance:-

- 1. Short title and extent.—** (1) This Ordinance may be called the Punjab Cotton Control (Validation of Levy of Fees) Ordinance, 1971.
(2) It extends to the whole of the Punjab.

2. Validation of levy of fees from occupiers of cotton factories, etc., run by diesel.— (1) Notwithstanding any omission or anything to the contrary contained in the West Punjab Cotton (Control) Act, 1949 or the Bahawalpur Cotton (Control) Act, 1949 (both since repealed), before their amendment by the West Punjab and the Bahawalpur Cotton (Control) (West Pakistan Amendment) Ordinance, 1961 (also since repealed) or the rules made thereunder, or anything to the contrary contained in any decree, judgment or order of any Court, the fees levied, charged, collected or realised from the occupiers of cotton ginning factories run by diesel under the provisions of the West Punjab Cotton (Control) Act, 1949, or the Bahawalpur Cotton (Control) Act, 1949, before their amendment by the West Punjab and the Bahawalpur Cotton (Control) (West Pakistan Amendment) Ordinance, 1961, shall be deemed to have been validly levied, charged, collected or realized under the provisions of the West Punjab Cotton (Control) Act, 1949 or, as the case may be, under the Bahawalpur Cotton (Control) Act, 1949, as amended by the West Punjab and the Bahawalpur Cotton (Control) (West Pakistan Amendment) Ordinance, 1961.

(2) Where any fee referred to in sub-section (1) has not been paid or realised before the coming into force of this Ordinance or if so paid or realised, has been refunded to or adjusted against other fees payable by the occupiers of the aforesaid factories, the same shall be recoverable in accordance with the provisions of the West Pakistan Cotton (Control) Ordinance, 1966.

This Ordinance was promulgated by the Governor of the Punjab, on 2nd October, 1971; published in the Punjab Gazette (Extraordinary), dated 4th October, 1971, pages 1237-1238; saved by Article 281 of the Interim Constitution of the Islamic Republic of Pakistan (1972); and, validated by the Validation of Laws Act, 1975 (LXIII of 1975).



**Annex 6: The Punjab Cotton Control (Validation of Transportation Fee) Act, 1974
(Pb Act XI of 1974)
CONTENTS**

SECTIONS

1. Short title and extent.
2. Validation of transportation fee under West Punjab Act IV of 1949 and Bahawalpur Cotton Control Act, 1949.

**THE PUNJAB COTTON CONTROL (VALIDATION OF TRANSPORTATION FEE) ACT, 1974.
(Pb Act XI of 1974)**

[25 October 1974]

An Act to validate the levy, charging, collection and realisation of transportation fee under the West Punjab Cotton (Control) Act, 1949, and the Bahawalpur Cotton (Control) Act, 1949

Preamble.— WHEREAS it is expedient to validate the levy, charging, collection and realisation of transportation fee under the West Punjab Cotton (Control) Act, 1949 and the Bahawalpur Cotton (Control) Act, 1949;
It is hereby enacted as follows:-

1. **Short title and extent.**— (1) This Act may be called the Punjab Cotton Control (Validation of Transportation Fee) Act, 1974.
(2) It extends to the whole of the Punjab.
2. Validation of transportation fee under West Punjab Act IV of 1949 and Bahawalpur Cotton Control Act, 1949.— (1) Notwithstanding any omission or **anything to the contrary** contained in the West Punjab Cotton (Control) Act, 1949, or the Bahawalpur Cotton (Control) Act, 1949 (both since repealed) or the rules made thereunder, or anything to the contrary contained in any decree, judgement or order of any court or other authority, the transportation fee levied, charged, collected or realised under the provisions of the above said Acts shall be deemed to have been validly levied, or as the case may be, charged, collected or realised.
[(2) Where any fee referred to in sub-section (1) has not been paid or realised before the coming into force of this Act, or if so paid or realised, has been refunded or adjusted against other fees payable under the above said Acts or the Punjab Cotton Control Ordinance, 1966, the same shall be recoverable in accordance with the provisions of the Punjab Cotton Control Ordinance, 1966 (Ordinance No. XX of 1966).]



Annex 7: Outlines of the Course for Certified Ginners

Level I

Introduction to Cotton Ginning and the Industry
 Maintenance of Auxiliary Gin Components
 Basic Hydraulics
 Basic Gin Safety
 Maintenance and Adjustments for Seed Cotton Cleaners, Gin Stands, and Lint Cleaners
 Air Utilization and Drying
 Electricity in the Gin

Level II

Purpose and Operating Principles of Individual Gin Machines
 Efficient Operation, Adjustment, and Maintenance of Gin Equipment
 Pneumatics and Waste Collection
 Electrical Systems
 Hydraulic Systems
 Gin Safety
 Management Tips
 Roller Ginning (at the Western School only)

Level III

Review of Functions of a Ginning System
 Electrical Systems
 Air Systems in the Gin
 Drying and Moisture Restoration Systems
 Matching Machinery Capacities in the System
 Seed Cotton Unloading Systems and Management of Seed Cotton Handling Systems
 Bale Presses and Hydraulic Systems
 Safety Programs and Labor Regulations
 Cottonseed Handling Systems
 Roller Ginning (at the Western School only)

Source: <http://www.cotton.org/ncga/ginschool/index.cfm>



contact CABI

europa

CABI Head Office

Nosworthy Way, Wallingford, Oxfordshire, OX10 8DE, UK
T: +44 (0) 1491 832111, E: corporate@cabi.org

CABI Europe - UK

Bakeham Lane, Egham, Surrey, TW20 9TY, UK
T: +44 (0) 1491 829080

CABI Europe - Switzerland

Rue des Grillons 1, CH-2800 Delémont, Switzerland
T: +41 (0) 32 4214870

asia

CABI South Asia

Opposite 1-A, Data Gunj Baksh Road, Satellite Town, PO Box 8, Rawalpindi-Pakistan
T: +92 (0) 51 9290132

CABI Southeast and East Asia

PO Box 210, 43400 UPM Serdang, Selangor, Malaysia
T: +60 (0) 3 89432921

CABI South Asia - India

2nd Floor, CG Block, NASC Complex, DP Shastri Marg, Opp. Todapur Village, PUSA,
New Delhi - 110012, India
T: +91 (0) 11 25841906

CABI Southeast and East Asia - China

C/o CAAS-CABI Project Office
C/o Internal Post Box 56, Chinese Academy of Agricultural Sciences,
12 Zhongguancun Nandajie, Beijing 100081, China
T: +86 (0) 10 62112118

africa

CABI Africa

ICRAF Complex, United Nations Avenue, Gigiri, PO Box 633-00621, Nairobi, Kenya
T: +254 (0) 20 7224450/62

americas

CABI Caribbean & Latin America

Gordon Street, Curepe, Trinidad and Tobago
T: +1 868 6457628

CABI North America

875 Massachusetts Avenue, 7th Floor, Cambridge, MA 02139, USA
T: +1 617 3954051

www.cabi.org

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