



MAAIF

Ministry of Agriculture,
Animal Industry and Fisheries



Uganda Coffee Development Authority



ANNUAL REPORT

FY2022/2023

Increasing quality coffee
production, productivity,
value-addition, marketing and
consumption.



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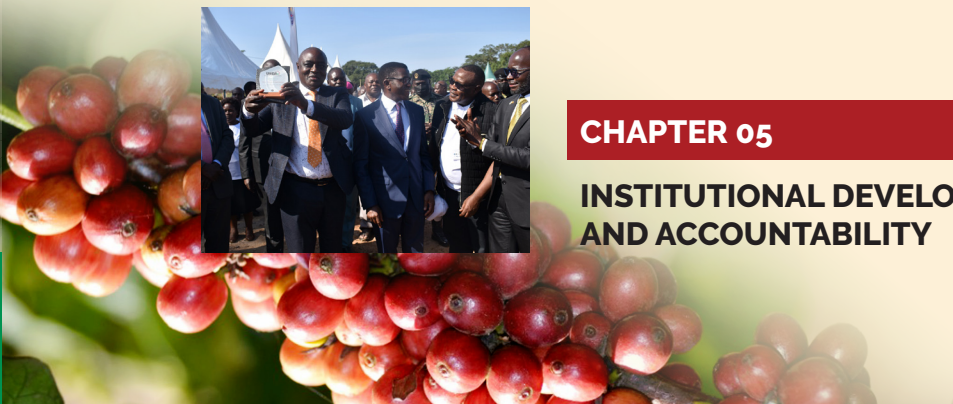
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CHAPTER 05

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List of Abbreviations and Acronyms

aBi	Agri Business Development
AFCA	Africa Fine Coffees Association
AGM	Annual General Meeting
ASSP	Agricultural Sector Strategic Plan
BCTB	Black Coffee Twig Borer
BQC	Basic Quality Control
CWDr	Coffee Wilt Disease Resistant
CLR	Coffee Leaf Rust
CURAD	Consortium of University's Responsiveness to Agribusiness Development
DGAL	Directorate of Government Analytical Laboratory
EU	European Union
FAQ	Fair Average Quality
FLO	Fair Trade Labelling Organization
FSS	Food Safety Standards
FY	Financial Year
GAPs	Good Agricultural Practices
GMPs	Good Manufacturing Practices
HR	Highland Ranges
IACO	Inter African Coffee Organisation
ICO	International Coffee Organisation
IGCU	Institute of Corporate Governance
ITC	International Trade Centre
IUBC	Inter University Barista Championship
IWCA	International Women's Coffee Alliance
LVC	Lake Victoria Crescent
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MIS	Management Information System
MT	Metric Tonnes
NaCORI	National Coffee Research Institute
NDP	National Development Plan
NESGL	North Eastern Savannah Grasslands
NTOH	National Taste of Harvest

NUCAFE	National Union of Coffee Agribusinesses and Farm Enterprises
NWSGL	North Western Savannah Grasslands
OWC	Operation Wealth Creation
PRAU	Public Relations Association of Uganda
PRL	Pastoral Range Lands
QAO	Quality Assurance Officer
RCEO	Regional Coffee Extension Officer
RCTO	Regional Coffee Technical Officer
RITA	Temporary Immersion Bioreactor System in vitro plant culture
SCA	Specialty Coffee Association
SCAA	Specialty Coffee Association of America
SCAE	Specialty Coffee Association of Europe
SSMO	Sudanese Standards and Metrology Organisation
SWFL	South Western Farmlands
TC	Tissue Culture
TDZ	Thidiazuron
UBOS	Uganda Bureau of Statistics
UCFA	Uganda Coffee Farmer's Alliance
UESW	Uganda Electronic Single Window
UGC	Uganda Green Coffee
UMA	Uganda Manufacturers Association
UNBC	Uganda National Barista Championship
UNBS	Uganda National Bureau of Standards
UBOS	Uganda Bureau of Statistics
PHHPs	Post Harvesting Handling Practices
UQCPTA	Uganda Quality Coffee Traders and Processors Association
URA	Uganda Revenue Authority
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USS	Uganda Statistical Society
WSGL	Western Savannah Grasslands

Foreword from the Board Chairman

UCDA's mandate is to regulate, promote and oversee the coffee sub-sector and a Mission "To increase quality coffee production, productivity, value addition, marketing and consumption".

The UCDA Strategic Plan FY 2020/21-2024/25 objectives are to increase coffee production and productivity, modernize post-harvest handling and storage, increase consumption of Ugandan Coffee and its products, locally and internationally, increase mobilization and access to agricultural finance and strengthen UCDA institutional capacity to deliver on its mandate. FY 2022/23 is the third year of implementation.

The annual coffee production for Uganda now stands at 7.8 million 60kg bags and continues to rise annually. Total exports amounted to 5.76 million 60Kg bags worth US\$ 846 million compared to 6.26 million worth US\$ 862 million the previous year. The decrease is attributed to drought that resulted in a smaller harvest in central, eastern, south western and Masaka regions. To address the above challenge, the Authority has intensified farmer trainings on sustainable and climate smart agricultural practices and providing micro irrigation systems to farmers for demonstration purposes.

Following the enactment of the National Coffee Act, 2021 on the 13th of September 2021, The Authority has conducted mass stakeholder engagement and sensitization meetings across coffee growing districts to sensitize value chain actors on the new law and its implications. I, therefore, continue to call upon all stakeholders in the coffee sector to welcome and comply to this law in order to improve the quality of Uganda Coffee. This will build buyer confidence in Uganda coffee and in the long run the profile, price and strength of the Ugandan coffee on the international market.

I would also like to high light the tremendous efforts being made under coffee research to develop market responsive and improved varieties of coffee. Uganda has long been growing old varieties of Arabica Coffee introduced in the 1960s, however through the National Coffee Resources Research Institute (NaCORI), three new Arabica varieties whose yield performance is above 200% of the old types and are resistant to diseases such as leaf rust and coffee berry disease



compared to the old varieties. These are in advanced stages of approval before release.

UCDA has been and will continue to dedicate efforts to increase coffee production, productivity and ensure that the high quality of Uganda Coffee is maintained.

I thank all the coffee value chain actors who have played key roles towards the achievement of the UCDA strategic objectives. I also extend my appreciation to my fellow board members, Management and staff of UCDA for the incredible commitment and efforts made to uphold the Uganda Coffee Industry at the highest standard.

Finally, I call upon all our implementation partners to double their support and efforts to achieve the Coffee Roadmap target of producing 20 million 60-Kg bags by 2030.

We are happy to present to you the UCDA Annual Performance Report of the FY 2022/23.

**Dr Charles Francis Mugoya,
BOARD CHAIRMAN, UCDA**

UCDA Board of Directors



Dr. Charles Francis Mugoya
Board Chairman



Maris Wanyera
Member (Ministry of Finance, Planning & Economic Development)



Okot Okello Richard
Member (Ministry of Trade, Industry and Cooperatives)



Dr. Sadik Kasiim
Member (National Agriculture Research Organisation)



Michael Nuwagaba
Member (Coffee Processors)



John Nuwagaba
Member (Coffee Farmers)



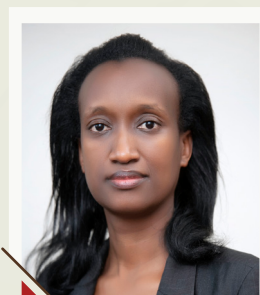
Martha Nalubega Wandera
Member (Coffee Roasters)



Fred Luzinda-Mukasa
Member (Coffee Exporters)



Dr. Emmanuel Iyamulemye Niyibigira
Member (Managing Director - UCDA)



Eunice Kabibi
Board Secretary/Director Legal Services

Message from the Managing Director

The UCDA Annual Report for FY 2022/23 provides key achievements made by the Authority in the Financial Year. This report aims to inform and engage stakeholders on our efforts to promote the coffee industry's growth, sustainability, and competitiveness, and to provide valuable information for informed decision-making and future collaboration.

The total exports achieved was 5.76 million 60Kg bags worth US\$ 846 million. During the first half of the financial year there was a negative trend in the quantities exported which picked up in January 2023 and recovered in June 2023 at the tail end of the financial year on account of the main harvest in Masaka and South-western regions. On the positive side, there was an increase in farm gate prices in tandem with the global export prices increasing from UGX 4,870 to UGX 7,000 per kg for Robusta clean coffee/fair average quality; from UGX 6,900 to UGX 12,000 per kg for Arabica parchment; and from UGX 5,750 to UGX 10,500 per kg (Drugar).

The export performance for the year was majorly affected by drought that was experienced in most coffee growing regions resulting in a decrease in the higher grades of coffee exported including screen 18, screen 17 and screen 15. This highlights the need for investment in climate smart agricultural practices which are being actively promoted through extension as well as investment in micro-scale irrigation systems that are provided to medium to large scale farmers for demonstration purposes.

Some of the deliverables achieved include provision of 47.2 million coffee seedlings/plantlets to 60,392 farmer's country wide leading to a 4% increase in the acreage under coffee from 589,000 hectares to 610,000 hectares. The newly





The total exports achieved
in **FY 2022/23** was
5.76 million
60Kg bags
worth
US\$ 846 million

planted acreage is expected to come into production in 2 years and this is projected to boost export volumes and revenue from coffee for the country.

In line with the agro-industrialization agenda of Government UCDA has been deliberately promoting value addition specifically wet processing of coffee. A total of 35 wet processing equipment were distributed to farmer cooperatives and commercial farmers. The results are reflected in the proportion of washed Uganda Arabica coffees to total exports which increased from 8.21% to 14.35%. This upgrade in processing will not only fetched premium prices in the market but also substantially contributed to the growth of the gross export value and revenue for the country.

The future outlook of the coffee industry remains positive and we anticipate continued increase in the volumes of coffee produced and exported. More

farmers have taken up coffee farming which is seen with the high demand for coffee seedlings. Government of Uganda made a policy shift from distribution of seedlings through UCDA and established a Parish Revolving Fund where farmers can access loans to invest in coffee. Our extension team will continue to closely supervise nursery operators to ensure the availability of quality planting materials on the market. I encourage coffee farmers to use this opportunity to continue expanding acreage under coffee.

The major challenges that affected implementation was the low budget release for the financial year at 61% of the approved budget, high incidences of pests and diseases like black coffee twig borer and red blister disease and poor post-harvest handling practices at farm and post farm level. In the next financial year, UCDA will intensify farmer trainings in pests and disease management, good agronomic practices, and post-harvest handling practices to address these challenges and lobby for increased resource allocation to deliver on its objectives.

I am happy to report that Uganda was selected to host the 2nd G25 Africa Coffee Summit in August 2023, under the theme "Transforming the Africa Coffee Sector through Value Addition". Hosting the summit will be a big moment for Uganda's coffee sector and I call upon all stakeholders to participate fully.

In conclusion, I extend my sincere appreciation to all implementation partners in the coffee sector who made significant contributions to the achievements highlighted in this report. I commend the visionary leadership of MAAIF and the UCDA Board of Directors for creating a supportive and enabling environment that enabled me to effectively lead the sector. I also express my gratitude to the dedicated UCDA Management and Staff who worked tirelessly to achieve the goals set out in the Strategic Plan and Coffee Roadmap. We are committed to building on these accomplishments and taking the coffee industry to even greater heights in the next financial year.

Dr. Emmanuel Iyamulemye Niyibigira
MANAGING DIRECTOR, UCDA

UCDA Management

EXECUTIVE DIRECTORATE



Dr. Emmanuel Iyamulemye Niyibigira
Managing Director



Laura Walusimbi
Corporate Communications Manager



Alex Rugonde
Ag. Head, Procurement and Disposal Unit



Emmanuel Egesa
Head Internal Audit and Risk

BOARD SECRETARY'S OFFICE & CORPORATE SERVICES DIRECTORATE



Eunice Kabibi
Board Secretary/Director Legal Services



Nina L. Nassuna
Director Corporate Services/Head Finance



Angelita Musimenta
Human Resource Manager



Edwin Agaba
Administration Manager



Valentine Bette
Ag. Management Information Systems Manager

QUALITY AND REGULATORY SERVICES DIRECTORATE



Doreen Rweihangwe
Director Quality and Regulatory Services



Betty Namwagala
Marketing and Promotion Coordinator - China Office



Gordon Katwirenabo
Quality Assurance Manager



Veronica Najjemba
Value Addition and Promotion Manager

DIRECTORATE OF DEVELOPMENT SERVICES



Apollo T. Kamugisha
Director Development Services



Dr. Gerald Kyalo
Technology Development
Manager



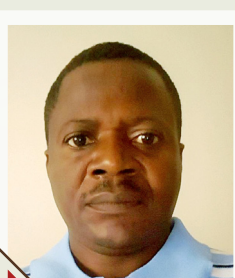
Robert Tumwesigye
Technical Extension Manager



Robert Nangatsa
Extension Manager



Liza M. Luseesa
Regional Manager
(Greater Masaka Region)



Jimmy Baluku
Regional Manager
(South-Western Region)



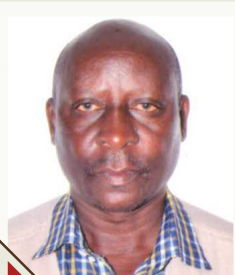
Mike Butseyia Maliro
Regional Manager
(Eastern Region)



Edward Lutaakome-Ssentamu
Regional Manager
(Central Region)



Isaac Chepkruai
Regional Manager
(Elgon Region)



Emmanuel Tumwizere
Regional Manager
(Rwenzori Region)



Moses Asiimwe
Regional Manager
(Mid-North and West Nile)



Mathew Katash Kwikiriza
Regional Manager
(Western Region)

STRATEGY AND BUSINESS DEVELOPMENT DIRECTORATE



David Katungi
Director Strategy and
Business Development



**James Rogers Kizito-
Mayanja**
Market Intelligence and
Information Manager



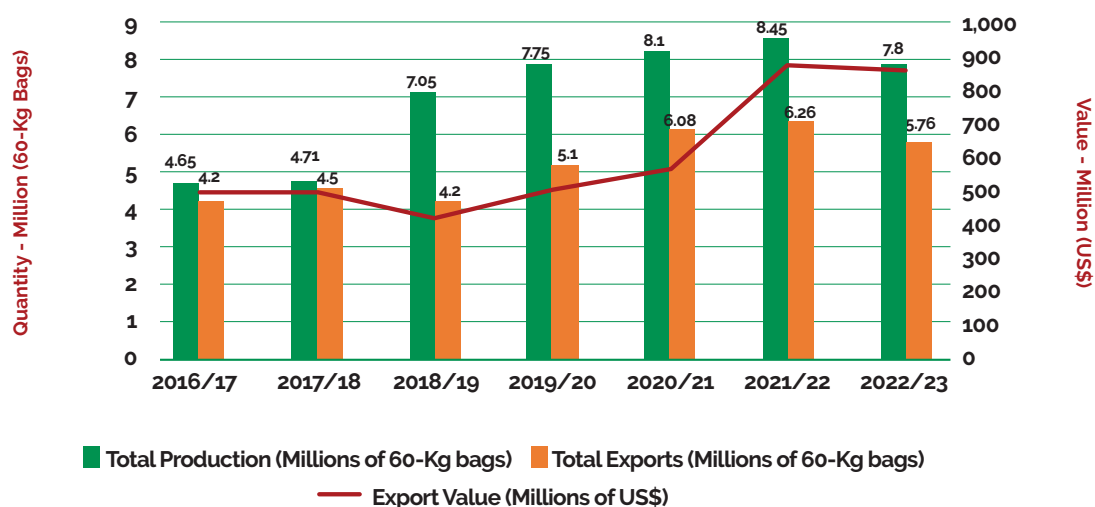
Paddy Namurebire
Monitoring and Evaluation
Manager



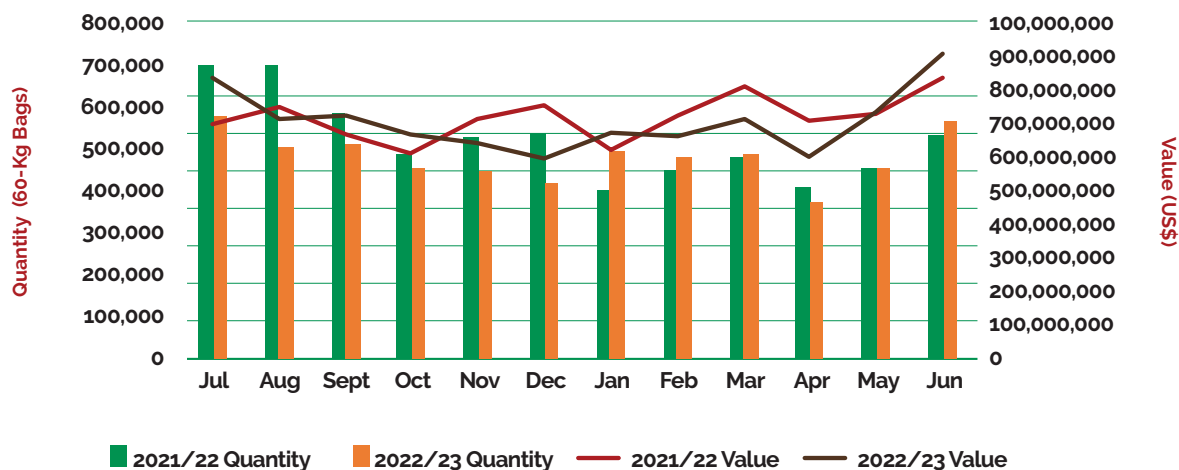
Alfred Dan Okwir
Ag. Business Development &
Innovation Manager

Financial Year FY 2022/2023 at a Glance

Annual Trend of Coffee Production, Exports and Value 2016-2023



Comparative Monthly Export Trends FY 2021/22 and FY 2022/23



Value Chain Actor Trainings



30,671

Farmers

42

Baristas

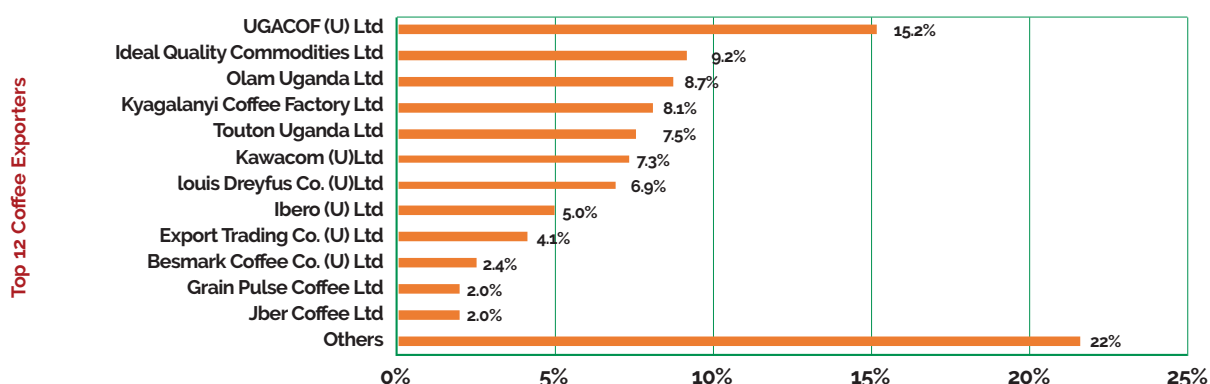
Promotion of Consumption of Uganda Coffee



20

Coffee Brewing Espresso
Machines Provided - 09
Government Institutions and 11
University Coffee Clubs

Market Share For The Top 12 Exporters



Seedlings distribution



12,185,055

CWDr plantlets

29,049,768

Arabica seedlings

6,000,130

Elite Robusta Seedlings -
Northern Uganda

Assurance and Enforcements

6,292,004 60Kg Bags

Inspected Certified for Export

404

facilities sealed off for non-compliance

181

offenders prosecuted

Promotion of Value Addition and Processing



35

Wet mills procured and
distributed



Facilities Inspected to Enforce Coffee Quality Standards

1,952

Factories

1,964

Coffee buying
stores

38

Roasters

31

Wet mills

20

Grading facilities



Progress on Key Performance Indicators of the UCDA Strategic Plan for the FY 2022/23

Indicator	Actual FY2020/21	Actual FY2021/22	Targets FY2022/23	Actual FY2022/23
Goal: Increase export earnings, incomes of farmers and inclusive employment				
Total volume of coffee produced (Millions. of 60kg bags)	7.05	8.45	9.61	7.8
Value of total annual coffee export earnings (USD million)	559	862	950	846
Number of coffee households which consider coffee as the main source of livelihood(Million)	1.7	1.8	1.8	1.8
Foreign exchange earnings (%)	16	20	18	16

Objective 1: Increase Coffee production and productivity				
Percentage of farmers enrolled in Farmer's Organizations	23	28	35	35
Total acreage under coffee in 1000 Ha.	583	589.1	606.4	609.8
Yield (Clean Coffee) in Kg/tree (Robusta)	0.79	1.0	0.9	0.9
Yield (Clean Coffee) in Kg/tree (Arabica)	0.6	0.7	0.7	0.7

Objective 2: Modernize post-harvest handling and storage				
Coffee post-harvest losses (%)	20	20	24	20

Objective 3: Increase coffee processing and value addition				
Percentage of coffee exported as speciality coffee	29.8	32.2	11.2	29.1
Percentage of coffee exported as fine Robusta	21.0	25.0	1.4	20.9

Objective 4: Increase consumption of Ugandan Coffee and its products, locally and internationally				
Volume of coffee exports: (Million bags)	6.1	6.3	7.3	5.8
Value of total annual coffee export earnings (USD Million)	559	862	766	846
Local per capita coffee consumption (kg)	0.8	0.8	0.96	0.8
Percentage of coffee FOs/Cooperatives having access to financial support	40	42	44	42

Objective 6: Strengthen the legal, regulatory framework and institutional capacities for an enhanced coordinated delivery of targeted results				
A new National Coffee Law in place	1	1	1	1



CHAPTER **01**

OVERVIEW OF THE UCDA MANDATE, OBJECTIVES AND FUNCTIONS

1.0 Overview of the UCDA Mandate, Objectives and Functions

1.1 Introduction

Uganda Coffee Development Authority (UCDA) is a government agency under the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) established

by the National Coffee Act, 2021 to oversee the development, regulation and promotion of the coffee industry in Uganda (both on-farm and off-farm activities).

UCDA Vision, Mission and Goal



1.2 Strategic Objectives

The Objectives of the UCDA Strategic Plan (FY 2020/21 – FY 2024/25) are to;

- Increase coffee production and productivity
- Modernize post-harvest handling and storage
- Increase coffee processing and value addition
- Increase consumption of Ugandan Coffee and its products, locally and internationally

- Increase mobilization and access to agricultural finance
- Strengthen UCDA institutional capacity to deliver on its mandate.

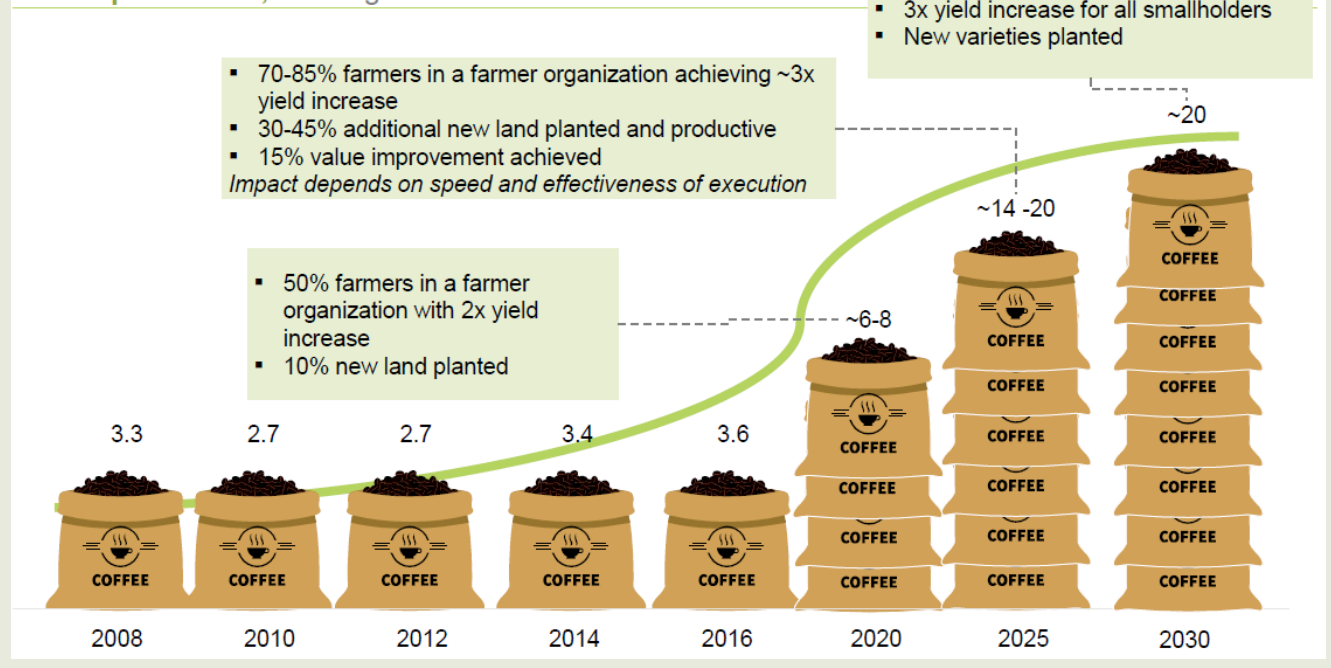
1.3 Alignment to the Coffee Roadmap

In 2014, H.E the President of Uganda issued a directive to accelerate Coffee production from the then 3.5 million 60Kg bags to 20 million bags of green coffee by 2030¹.

¹ Originally the target of 20 million bags was to be achieved in 2020, but during the Roadmap rapid design phase in 2017, the target year was moved to 2030, with an intermediate goal of 6-8 million bags by 2020 and 14-20 million bags by 2025.

The coffee roadmap is expected to achieve 6-8 million bags by 2020 and 14-20 million by 2030

Coffee production, mm bags



Coffee Roadmap multi-year projected targets of coffee production and the underlying assumptions



President of the Republic of Uganda, H.E. Yoweri Kaguta Museveni launching the Coffee Roadmap on April 13, 2017. The Coffee Roadmaps aims at ensuring that Uganda achieves its coffee production target of producing 20 million bags annually by 2025.

In April 2017, H.E the President of Uganda launched the Coffee Road Map. The road map is hinged on nine core initiatives that guide the multi-year journey to the goal and their implementation was the responsibility of nine (09) Government entities and the private sector, spearheaded by the Uganda Coffee Development

Authority (UCDA) as detailed below. UCDA interventions are aligned to the 09 initiatives and implementation during the FY 2022/23 was undertaken in collaboration and partnership with the private sector and Government agencies as outlined in the roadmap and section 1.4 below on Implementation Arrangements.

Nine key initiatives to catalyze the transformation of the coffee sector

	Initiative ¹	Potential Owner
Demand & value addition	1 Build structured demand through country-to-country deals, especially with China	MoFPED (with support from PM and President)
	2 Brand Uganda coffee to drive demand and improve value by up to 15%	UCDA (with private sector)
	3 Support local coffee businesses for value addition (e.g., primary processing, soluble coffee)	MAAIF (with UCDA, private sector)
Production	4 Strengthen farmer organisations and producer co-operatives to enhance commercialization for ~900,000 farmers by 2020	UCDA (with support from UCA & MTIC)
	5 Support joint ventures between middle-class owners of underutilized production land and investors	UIA (with UCDA and private sector)
	6 Provide and promote concessions for coffee production on large underutilized tracts of land	
Enablers	7 Improve quality of planting material (seeds and seedlings) through strengthened research and multiplication of improved varieties	NaCORI, UCDA
	8 Improve access to quality inputs by reducing counterfeiting (fertilizer, pesticides, herbicides) from current 40-60%	MAAIF
	9 Develop coffee finance programme with Central Bank and Treasury to provide loans of up to ~900mm USD by 2020	MoFPED (with Bank of Uganda and private sector)

1.4 Alignment of UCDA Objectives to the NDP and Agro-Industrialization Program

The UCDA interventions under each Directorate

are guided by its strategic objectives as well as the objectives of the National Development Plan III (NDP III). The alignment is illustrated in the table below:

Table 1: Alignment of UCDA Interventions to the NDP III Program Implementation Action Plan (PIAP)

Directorate	UCDA Strategic Objective	NDP Objective
Development Services	Objective 1: Increase coffee production and productivity	Objective 1: Increase agricultural production and productivity
	Objective 2: Modernize post-harvest handling and storage	Objective 2: Improve post-harvest handling and storage
Quality and Regulatory Services	Objective 3: Increase coffee processing and value addition	Objective 3: Improve agro-processing and value addition
	Objective 4: Increase consumption of Ugandan coffee and its products, locally and internationally	Objective 4: Increase market access and Competitiveness of agricultural products in domestic and international markets

Directorate	UCDA Strategic Objective	NDP Objective
Strategy and Business Development Services	<p>Objective 5: Increase mobilization and access to agricultural finance</p> <p>Objective 6: Strengthen UCDA institutional capacity to deliver on its mandate</p>	<p>Objective 4: Increase market access and competitiveness of agricultural products in domestic and international markets</p> <p>Objective 5: Increase mobilization and equitable access and utilization of agricultural finance</p> <p>Objective 6: Strengthen the institutional coordination for improved service delivery</p>
Executive and Corporate Services	<p>Objective 5: Increase mobilization and access to agricultural finance</p> <p>Objective 6: Strengthen UCDA institutional capacity to deliver on its mandate</p>	<p>Objective 5: Increase mobilization and equitable access and utilization of agricultural finance</p> <p>Objective 6: Strengthen the institutional coordination for improved service delivery</p>

1.5 Governance and Organization Structure

1.5.1 UCDA Board of Directors

UCDA is governed by a Board of Directors, which oversees the conduct of business and supervises management. The role of the board is to preserve UCDA's institutional competitiveness as well as ensuring that the Authority operates reliably and safely. It comprises of nine (09) members who are representatives of; Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), National Coffee Resources Research Institute (NaCORI), Ministry of Finance, Planning and Economic Development (MOFPED); Ministry of Trade Industry and Corporative (MTIC); one representative of each level of the value chain - coffee farmers, coffee exporters, coffee roasters, coffee processors and its headed by the Chairman of the Board.

1.5.2 UCDA Organizational Structure

The Managing Director is responsible for the day-to-day operations and management of the Authority and is an Ex-Officio member of the Board. The mandate of the authority is delivered through five (5) directorates - 3 technical and 2 support directorates.

The technical directorates include:

- Development Services;
- Quality and Regulatory Services; and
- Strategy and Business Development.

The support directorates are;

- Executive Services
- Corporate Services.

1.6 Functions of the Authority

In August 2021, UCDA repealed the UCDA Act 1994 and replaced it with the National Coffee Act 2021. The main objective of the review was to address gaps in the old law so as to enable comprehensive regulation of the coffee value chain from the farm to the cup, strengthen institutional arrangements in the coffee subsector and repeal the clauses in the old law which had been overtaken by time.

1.6.1 Revised Functions of UCDA under the National Coffee Act 2021

Therefore, the revised functions of UCDA are to:

- Regulate all activities within the coffee value chain or subsector, on-farm and off-farm coffee activities, coffee roasting and brewing, sales and marketing and the quality of coffee and coffee by-products, including activities of related industries in accordance with this Act;
- Promote, strengthen and register coffee farmers, farmers groups, associations and cooperatives, processors, roasters, brewers, traders, middlemen, persons or bodies involved in the coffee value chain;
- Register all coffee export and assess cess;
- Promote the formation and development of

value chain organizations at the various levels of the coffee value chain;

- v. Promote and support research into the coffee industry or processes along the coffee value chain and determine and prescribe through research, the types and varieties of coffee to be cultivated in Uganda, and their management systems;
- vi. Promote and support joint ventures, investments and concessions in the coffee value chain;
- vii. Prescribe quality control standards for the sale and marketing of coffee, issue indicative prices at which coffee may be traded and protect coffee farmers from exploitation and unfair trade practices;
- viii. Profile, grade and certify grades and quantities of coffee along the value chain;
- ix. License coffee nursery operators, seed garden operators, traders, processors, exporters, management agents, warehouse operators, auctioneers, pulping stations, packers and roasters in accordance with regulations issued by the Minister;
- x. Coordinate the provision of coffee specific extension services in consultation with the Ministry;
- xi. Advise Government on all coffee subsector policies and reconcile them to the national macroeconomic policies;
- xii. Liaise with regional and international coffee organization to promote Uganda's coffee on the world market and be responsible for the administration of the stamp of the International Coffee Organization;
- xiii. Organise capacity building initiatives for coffee farmers, farmers associations, roasters, brewers, technicians, coffee processors and quality controllers;
- xiv. Collect, collate and analyze data, maintain a database on coffee, and to document and monitor the coffee subsector performance; and
- xv. Perform any other function as may be directed by the Minister.

xvi. The new law addressed gaps in the old law which include;

- xvii. Cater for comprehensive regulation of the coffee value chain from the farm to the cup with a view of improving the quality of coffee.
- xviii. Create Strong institutional arrangements with clearly demarcated roles for all institutions involved.
- xix. Broaden the scope of UCDA to provide Coffee specific extension services –on-farm.
- xx. Registration and constitution of national registers for all value chain actors to enhance planning, traceability and targeting of service delivery.
- xxi. Introduction of a voluntary coffee auction system as an alternative method of selling coffee.
- xxii. Repeal of redundant clauses overtaken by time e.g. the provision on price policy committee.
- xxiii. In liaison with NaCORI, regulate the types and varieties of coffee grown in different parts of Uganda.
- xxiv. Coffee research and development - vital for the improvement in production and productivity, quality and value addition, market development and intelligence and institutional development and accountability.
- xxv. Improve the standard of coffee through profiling, grading and certification.
- xxvi. Promote value addition at all stages of the Value chain
- xxvii. Strengthening penalties to match the objectives of the regulatory framework

1.7 Implementation Arrangements

UCDA oversees and regulates the coffee sub-sector, and ensures achievement of coffee sub-sector goals through strategic collaboration and implementation partnerships with various stakeholders in both the public and private sector. Key stakeholders include an estimated 1.8 million coffee farmers, 2,164 coffee buyers and traders, 1,093 coffee primary processors/hullers, 132 exporters, 37 Coffee Export Grading Plants, 131 washing stations/wet mills and 90 coffee roasters among others. Additionally, development of the coffee value chain is supported by coffee farmer

1.6.2 Gaps addressed by the National Coffee Act 2021

organizations, Community Based Organizations, Coffee Certification Organizations, and Development Partners.

At Government level, service delivery was also strongly supported by Ministries Departments, Agencies and Local Governments (MDALGs) including, Office of the President (OP), Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), Ministry of Finance, Planning and Economic Development (MoFPED), Ministry of Trade, Industry and Cooperatives (MTIC), National Coffee Resources Research Institute (NaCORI),

Uganda Revenue Authority (URA), Office of the Prime Minister (OPM), National Planning Authority (NPA), Operation Wealth Creation (OWC), Uganda National Bureau of Standards (UNBS), Ministry of Foreign Affairs (MoFA), among others. This collaborative approach has fostered a robust and inclusive coffee value chain, promoting growth and development in the sector."

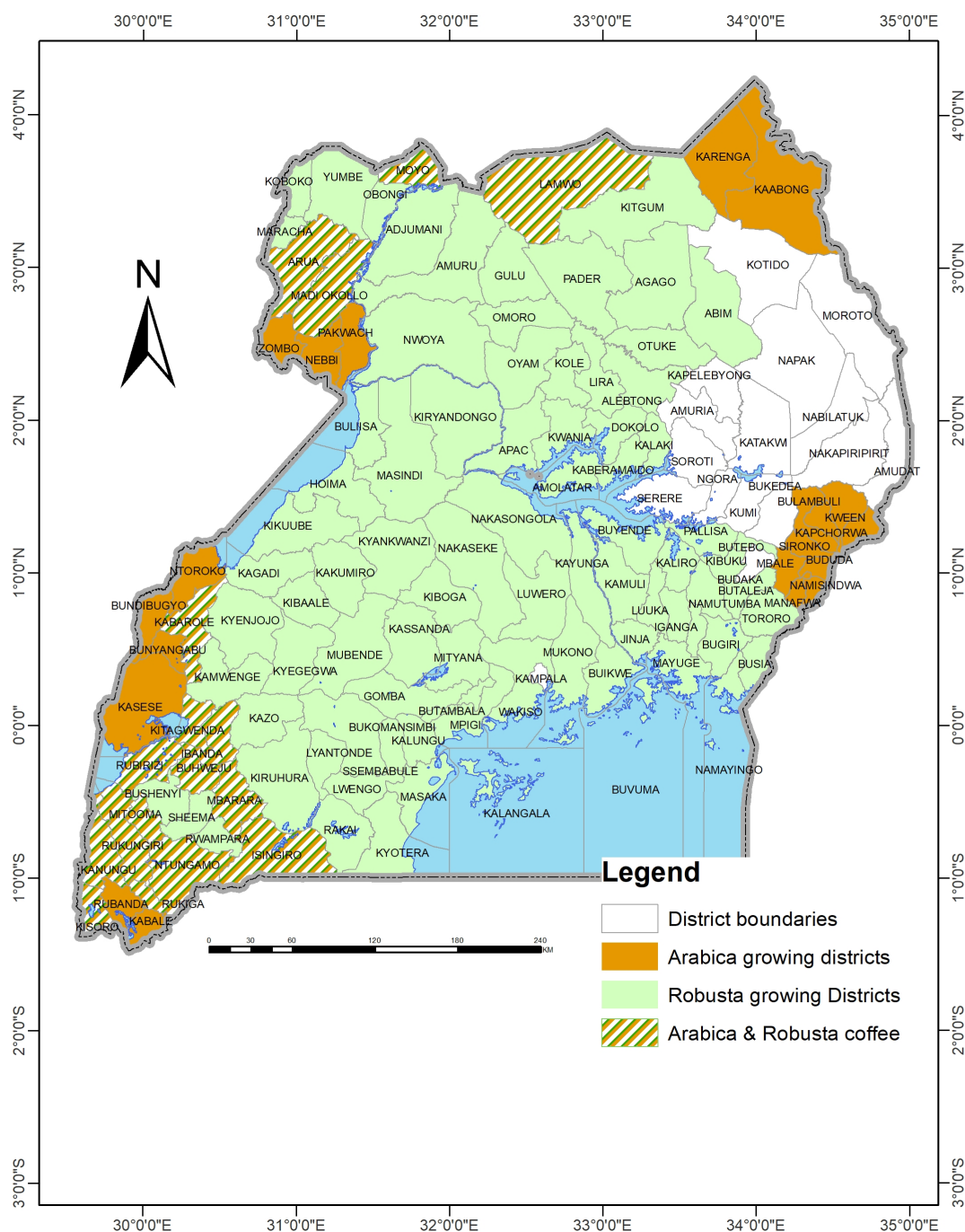
1.8 Geographical Scope

UCDA Activities span 121 coffee growing districts stratified into ten (10) regions classified as follows:

Table 2: A List of Coffee Growing Regions and Districts in Uganda and Type of Coffee Grown.

Sn	Region	Districts	Coffee Type (s)
1.	Central	Mukono, Kayunga, Buikwe, Buvuma, Luwero, Nakaseke, Nakasongola, Mpigi, Butambala, Wakiso, Gomba, Mityana	Robusta
2.	Eastern	Budaka, Pallisa, Butebo, Kibuku, Butaleja, Tororo, Busia, Bugiri, Namayingo, Namutumba, Iganga, Bugweri, Jinja, Mayuge, Luuka, Kaliro, Kamuli, Buyende	Robusta
3.	Elgon	Bududa, Bukwo, Bulambuli, Kapchorwa, Kween, Manafwa, Mbale, Namisindwa, Sironko	Arabica
4.	Greater Masaka	Masaka, Kalangala, Kalungu, Rakai, Kyotera, Lwengo, Lyantonde, Bukomansimbi, Sembabule	Robusta
5.	Rwenzori	Kyenjojo, Kyegegwa, Kagadi, Kamwenge, Bundibugyo, Bunyangabo, Kabarole, Kasese, Kitagwenda, Ntoroko	Robusta and Arabica
6.	South Western	Buhweju, Bushenyi, Sheema, Ibanda, Isingiro, Kiruhura, Kazo, Rwampara, Mbarara, Mitooma, Ntungamo, Rubirizi	Robusta and Arabica
7.	Kigezi	Kabale, Kanungu, Kisoro, Rubanda, Rukiga, Rukungiri	Robusta and Arabica
8.	Western	Mubende, Kassanda, Hoima, Kikuube, Kyankwanzi, Kiboga, Masindi, Kiryandongo, Buliisa, Kibaale, Kakumiro	Robusta
9.	Northern	Kaabong, karenga, Lamwo, Gulu, Omoro, Nwoya, Kitgum, Agago, Amuru, Adjumani, Oyam, Apac, Kole, Lira, Aleptong, Otuke, Kwanja, Pader, Dokolo, Amolatar, Kaberamaido, Kalaki, Abim	Robusta
10.	West-Nile	Arua, Madi – Okolo, Moyo, Nebbi, Maracha, Terego, Koboko, Yumbe, Obongi, Zombo	Robusta and Arabica

Uganda Coffee Growing Districts by Type



1.9 Strategic Focus for the FY 2022/23

Implementation in FY 2022/23 was focused on the implementation of the following key interventions:

Directorate of Development Services

- Support coffee research to generate improved varieties of the CWDR plantlets (KR1-10) and avail them to nursery operators for multiplication.

- ii. Support to NaCORI to identify candidate Arabica coffee varieties with yields above 2 tonnes cc/ha compared to the current Arabica coffee varieties and cup quality scores above 80%.
- iii. Support farmers with seedlings in line with the strategy to expand acreage under coffee and increase access to good quality planting materials
- iv. Support farmers with fertilizers as incentives for rehabilitation of aged coffee trees, and fungicides and pesticides for demonstration of pests and disease control
- v. Deliver coffee extension services to farmers on best practices in sustainable coffee production, post-harvest handling, processing, and value addition.
- vi. Develop a digital App for farmer registration and the Geospatial Extension M&E reporting system
- vii. Develop the capacity of cooperatives, communities, farmers, processors and traders in post-harvest handling and storage through inspection and licensing to enforce compliance to quality standards and the National Coffee Act, 2021.

Directorate of Quality and Regulatory Services

- i. Quality assurance, promotion and marketing of Ugandan Coffee on both the local and international markets.
- ii. Capacity building of value chain actors on quality control processes, ISO international coffee quality standards, value addition, coffee brewing and roasting techniques and sustainable and specialty coffee production systems.
- iii. Undertake quality monitoring, supervision and enforcement operations in coffee growing and at all levels of the value chain to enforce coffee quality standards and the National Coffee Act, 2021.
- iv. Inspect and certify all coffee exports.
- v. Collect and analyse coffee samples to test for Ochratoxin A (OTA) & (OTA) & another contaminant.
- vi. Coffee profiles at regional level (agro-ecological zones) and national level characterized and published.
- vii. Promote and show case Uganda coffee at strategic local, regional and international exhibitions, events and strategic markets like the China market to generate demand.

- viii. Develop the cocoa law and policy.

Directorate Strategy and Business Development Services

- i. Develop Annual workplans and Report on Performance for the FY in line with the UCDA Strategic Plan and Agro-industrialization Agenda of the NDP III.
- ii. Periodic surveys and routine monitoring and evaluation exercises to assess the implementation and performance of UCDA interventions and key production and market indicators.
- iii. Train coffee value chain actors including processors, traders, exporters and farmers in global coffee Trade Dynamics & price Risk Management.
- iv. Undertake periodic stock verification exercises to ascertain closing stocks at processor and exporter level and undertake production surveys to support estimation of the total volume of coffee produced within the year.
- v. Undertake the feasibility study for establishment of a soluble coffee plant in Uganda.

Executive and Corporate Services

- i. Print, disseminate and raise stakeholder awareness on the National Coffee Act, 2021 and review and update the Coffee Regulations
- ii. Provision of Corporate, Administrative and Logistical Services and increase visibility of UCDA
- iii. Maintain international obligations and support to coffee associations.
- iv. Build, renovate and maintain UCDA infrastructure at headquarters and in the coffee growing regions.

1.10 Structure of the Report

The report comprises of six chapters including the following: Chapter 1 provides an introduction highlighting the mandate of UCDA its strategic objectives, functions, governance structure, institutional arrangements and major planned outputs for the financial year 2022/23; Chapters two – seven detail the major deliverables achieved by the Authority under each strategic objective within the financial year. The report also includes Annexes of relevant data referred to.



CHAPTER
02

**INCREASE COFFEE PRODUCTION
AND PRODUCTIVITY**

2.0 Increase Coffee Production and Productivity

2.1 Introduction

The objective of the interventions undertaken under this chapter was to increase coffee production and productivity in line with the coffee roadmap. The Directorate of Development Services was responsible for the delivery of planned interventions in line with this objective which were actualized through its departments of Technology Development, Extension Management and Technical Extension. Their specific roles are briefly explained below:

Technology Development Department: supports technologies transfer; collaborations with Coffee Research Institutions, facilitating extension research linkages through training field staff in new technologies; and coffee pests and diseases surveillance and control.

Extension Management: provision of coffee-specific extension to farmers and other value chain actors, mobilization of farmers to plant coffee, and leading stakeholder mobilization and sensitization on coffee agenda.

Technical Extension: enforcement of coffee quality standards at post-harvest level through inspection, licensing and registration of value chain actors.

Below are highlights of the achievements made by UCDA in the FY 2022/23 in line with the UCDA Strategic Plan 2020/21-2024/25.

2.2 Performance and Achievements in the FY 2022/23

2.2.1 Strengthen Agricultural Research and Technology Development

UCDA delivers on its mandate to promote research and innovation of disease resistant and high yielding

varieties through a partnership with the National Coffee Research Institute (NaCORI). In a bid to replace the old stock of elite Robusta which is susceptible to the coffee wilt disease, UCDA through NaCORI has been funding the production of CWD-R plantlets that are distributed to nursery operators for multiplication and onward distribution to farmers.

During the FY 2022/23, UGX 0.55 billion was released to implement activities under coffee research.

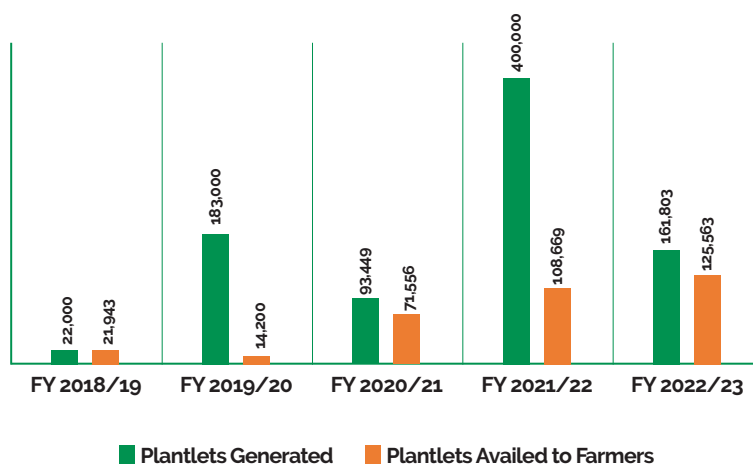
2.2.2 Generation of improved planting materials

Robusta: Generated 161,803 cuttings of CWD-r planting materials (KR1-10) of which 125,563 were availed to farmers while the balance of 36,240 plantlets were used to expand the Mother Garden of CWD-r starter materials at NaCORI.

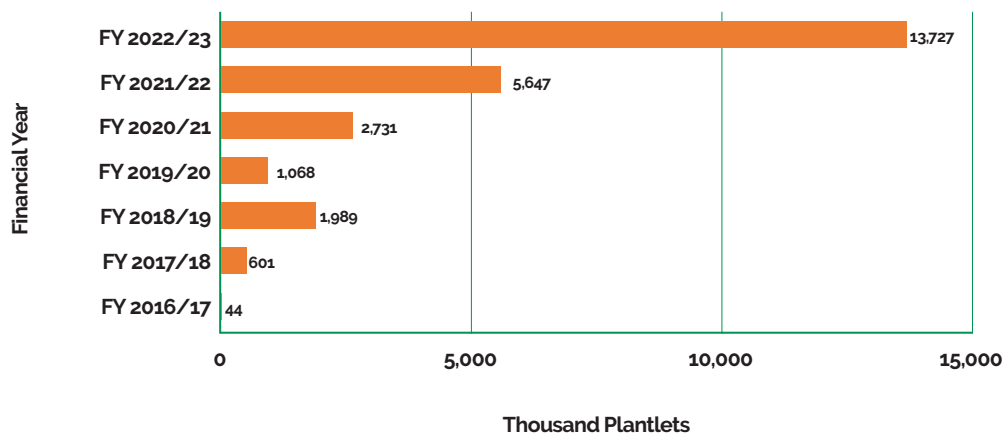
Over the last 5 years, NaCORI has generated a total of 860,252 plantlets as starter material for mother gardens of which 341,931 plantlets were distributed to farmers and the balance of 518,321 plantlets used to establish/gap-fill mother gardens for starter materials, establish experimental trials and conduct disease-resistance studies.

As a strategy for multiplication of CWDR plantlets, the materials generated by NaCORI are distributed to UCDA licensed nursery operators to establish mother gardens from which CWD-R cuttings are produced. Through this initiative, UCDA supported nursery operators to establish mother gardens and a total of 25.8 million CWDR plantlets have been generated and distributed to farmers for planting since FY 2016/17 as shown below;

■ CWD-r Plantlets generated by NACORI



■ 25.8 Million CWD-r Plantlets Distributed



NaCORI currently has a mother garden of 12 acres with average annual capacity to produce 2,215,050 cuttings. The mother garden was not expanded in the FY 2022/23 due to the low budget release.

2.2.3 Development of new high yielding disease resistant Arabica Varieties

NACORI developed new high-yielding and disease-resistant Arabica varieties that will make Ugandan farmers more competitive at the local and global levels once they are released on the market. The varieties were developed with support from the European Union (EU) under the European Union – East African Community Market Access Upgrade Programme (EU-EAC MARKUP). The new Arabica varieties performance is above 200% of the old types and they are resistant to diseases such as leaf rust and coffee berry disease compared to the old varieties.

The potential varieties for release were submitted to a genotyping laboratory for characterization to ascertain their genetic differences. Thereafter, NaCORI will

present them to NARO for approval and consequently MAAIF for official release.

2.2.4 Specialized Studies

A research paper by Sseremba et al (2023) on the Viability of Deficit Irrigation Pre-Exposure in Adapting Robusta Coffee to Drought Stress. Was published in a journal - Agronomy, 13(3),p.674;<https://doi.org/10.3390/agronomy13030674> (<https://www.mdpi.com/2161356>).

The publication resulted from screening of 260 coffee half sibs for potential resistance to drought. From the study, 9 half-sib genotypes were identified to exhibit potential for drought tolerance and will be advanced to field drought studies for drought-resilient varietal development.



The National Coffee Steering Committee members tour the nursery where NaCORI scientists are multiplying drought-resistant coffee varieties

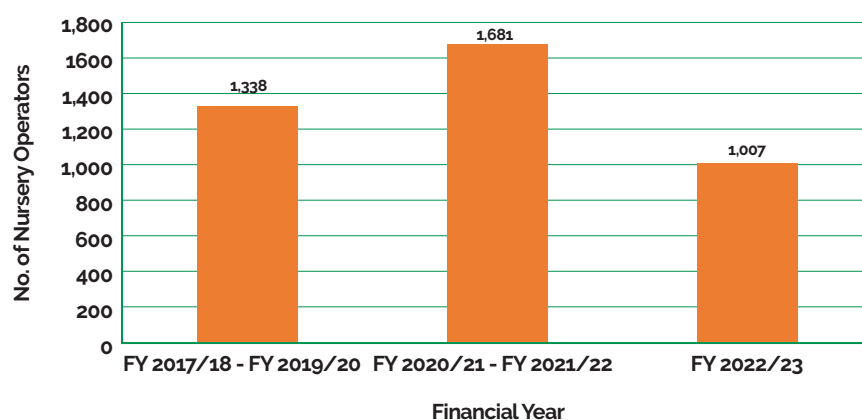
2.3 Increase Access to Quality Planting Materials

To achieve UCDA's strategic plan and coffee roadmap target of producing 20 million bags annually by 2030. The directorate supported the generation of coffee seedlings and Coffee Wilt Disease Resistant (CWDr) plantlets through provision of seed and starter plantlets to farmers to establish nursery beds and mother gardens respectively. CWDr Plantlets are resistant to coffee wilt disease, drought and high yielding.

2.3.1 Nursery Operators certified

A total of 1,007 Nursery Operators were trained certified in the reporting period producing; Arabica Seedlings (450), Robusta Elite Seedlings (78) and Robusta CWD-R plantlets (479). The graph below shows the total number of nursery operators that were annually certified by UCDA to raise quality planting material across the 10 coffee growing regions. A license of a Nursery operator is valid for 3 years.

■ Number of UCDA Certified Nursery Operators



2.3.2 Seedlings Distribution

A total of 47.2 million seedlings/plantlets were distributed to 60,392 farmers country wide including 12.2 million CWDr plantlets, 6 million Robusta Elite

seedlings, and 29.1 Arabica seedlings. This was 71% performance against the overall target of 59,916,610 seedlings that were planned to be distributed in the due to budget constraints.

Table 3: Coffee Seedlings/Plantlets distributed to Farmers Per Region

S/N	Region	CWDr plantlets	Beneficiaries	Arabica Seedlings	Beneficiaries	Total	Beneficiaries
1	Rwenzori	1,445,456	1,440	9,451,444	12,488	10,896,900	13,928
2	South Western	1,042,659	2,442	7,655,082	13,251	8,697,741	15,693
3	Central	2,797,118	4,021	-	-	2,797,118	4,021
4	Greater Masaka	3,391,772	4,872	-	-	3,391,772	4,872
5	Eastern	1,053,465	1,210	-	-	1,053,465	1,210
6	Western	1,764,120	1,281	-	-	1,764,120	1,281
7a	Northern (CWDR)	690,465	1,085	2,459,416	2,851	3,149,881	3,936

S/N	Region	CWDr plantlets	Beneficiaries	Arabica Seedlings	Beneficiaries	Total	Beneficiaries
7b	Northern (Elite)	6,000,130	3,533	-	-	6,000,130	3,533
8	Elgon	-	-	9,483,826	11,918	9,483,826	11,918
	Total	18,185,185	19,884	29,049,768	40,508	47,234,953	60,392

The seedlings distribution program had been halted following a Government policy shift to implement the provision of inputs to farmers through the Parish Development Model. Farmers were guided to borrow funds from the Parish Revolving Fund and decide on the enterprise to invest in as well as the type of input to procure. This distribution was the last time Government distributed free seedlings to farmers as a results of a Cabinet directive.



Coffee seedlings distribution activity in Bongokho Sub County, Mbale District.

2.4 Coffee productivity and management

To enhance coffee productivity, it requires farmers to adopt improved agronomic practices which include growing of quality coffee seedlings/plantlets, application of fertilizers, pesticides, fungicides, manuring, weeding, stumping of aged coffee trees among others. The interventions implemented in line with productivity enhancement included;

2.4.1 Rehabilitation of Aged Coffee Trees

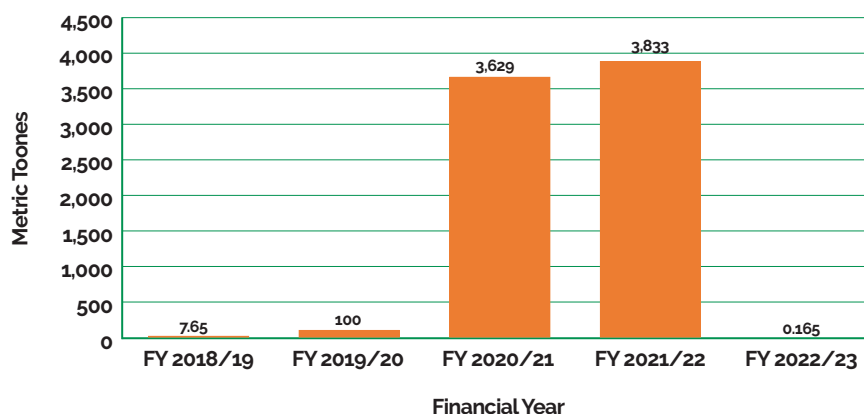
UCDA procured and distributed 0.165 tonnes of liquid and granular organic fertilizers as incentive for farmers to rehabilitate aged coffee trees. A total of 340,496 old and unproductive coffee trees were stumped by 342 farmers in the western (98%) and northern region (2%).

Cumulatively, over the last five years, 7,570 metric tons of fertilizer have been distributed under this program and a total of 14.6 million aged coffee trees stumped/rejuvenated.



A rejuvenated coffee tree in a field in Buikwe Town Council.

7,570 metric Tonnes of Fertilizers Distributed



Farmers in Butambala District being trained on the benefits of Coffee rehabilitation

2.4.2 Pest and Disease Management

In the coffee production indicator survey undertaken in May 2022, 44% of the farmers reported pests and diseases as the major challenge faced in coffee production. The most prevalent pests and diseases being the coffee wilt disease (CWD), the black coffee twig borer and red blister disease.

To demonstrate the effective agro-chemicals for controlling the coffee red blister disease, UCDA procured and distributed 1,000 kilograms of fungicides and 167 litres of Tebuconazole to farmers in hot spot areas for emergency control of Coffee Red Blister Disease (CRBD).



Members of Utamsi Farmers Group in Mbale city displaying the Copper Nordox received from UCDA

Spotlight on the Black Coffee Twig Borer

The Black Coffee Twig Borer (BCTB) is a pest that attacks crop-bearing branches of mainly Robusta trees causing them to dry. A farmer can lose up to 50% of the coffee yield if they do not manage BCTB on the farm. The resultant damage from the beetle is higher during the dry season, especially in coffee trees under shade trees, closely planted coffee trees or inadequately pruned or de-suckered coffee.

Damage to coffee

Only female beetles cause damage to the plants by boring into the tissue of the host. They bore through the xylem into the twig pitch where they chew along the axis of the twig to make a common brood chamber for the eggs. The males live up to 6 days and are flightless while the females live up to 58 days.

The recommended measures for controlling the spread of BCTB are highlighted below;

The Beetle Trap Developed by NaCORI

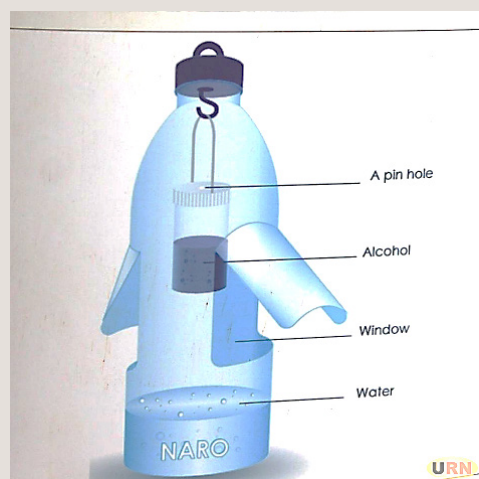
NaCORI developed a beetle trap which is highly effective in fighting the Black Coffee Twig Borer. The trap is composed of a transparent plastic bottle, a smaller pharmaceutical bottle, ethanol and a wire or string. The plastic bottle has two windows on opposite sides. It holds water which drowns and kills the beetle. The smaller bottle, with ethanol in it, is tied with a string and placed in the plastic bottle and it's the ethanol scent that attracts the insect. Once inside



A coffee plant infested by BCTB.



the plastic bottle they are trapped by the water in it. Community approach is required to effectively use the BCTB traps. The entire community must take up the technology.



NACORI invented bottle trap for the black coffee twig borer

2.5 Strengthen Coffee Extension Systems

UCDA provided trainings to coffee value chain stakeholders to improve production and productivity, post-harvest handling practices and the overall quality of coffee produced. The coffee value chain actors include farmers, nursery bed operators, processors, exporters, traders and buyers, researchers among others.

- i. 30,671 farmers were trained on good agricultural practices including coffee farm establishment, fertilizer application, pest and disease management, stumping of old coffee trees, sustainable land management, and coffee farming as a business among

others. Disaggregated by gender, 72% of the beneficiaries were male, 28% were female and 13% youth.

- ii. 143 Radio talk shows were conducted focusing mainly sensitization of the public on the National Coffee Act 2021, and other topics include GAPs, post-harvest handling, value addition, and marketing.
- iii. 238 Soil samples were collected and analyzed from Mid North and West Nile. The focus was on provision of information on soil fertility status for better soil fertility management and the findings indicate a general deficiency of Organic matter and Phosphorous across the soils analyzed.



The Regional Coffee Extension Officer (RCEO) Luwero District guiding laborers on how to dig the right size of holes during farm establishment in Kalagala, Luweero District



The Regional Coffee Technical Officer Luweero Sensitizing value chain actors on the National Coffee Act 2021.



CHAPTER
03

**VALUE ADDITION, STORAGE AND
DOMESTIC COFFEE CONSUMPTION**

3.0 Value Addition, Storage and Domestic Coffee Consumption

3.1 Introduction

This chapter highlights the immediate outcomes of the UCDA Strategic Plan objectives 2 and 3 which hinge on modernizing post-harvest handling and storage, increasing coffee processing and value addition as well as increasing consumption of Ugandan coffee and its products domestically and internationally.

3.2 Performance and Achievements in the FY 2022/23

3.1 Modernizing Post-Harvest Handling and Storage

The interventions implemented by UCDA to improve coffee quality in the financial year were aimed at reducing harvest and post-harvest losses across the coffee value chain, providing technical extension and demonstrations, and enforcing compliance with the National Coffee Act 2021.

3.2.1 Inspection and Licensing of Storage and Agro Processing Facilities

UCDA Regional Coffee Technical Officers conducted quality assurance and control measures which include registration, licensing and inspection of value chain actors both at primary and secondary level. Value chain actors were inspected to enforce compliance and coffee quality standards.

3.2.2 Inspection for Coffee Quality Assurance

In the FY 2022/23, a total of 4,005 value chain actors were inspected to assess compliance to the National Coffee Act 2021, including 1,964 buying stores/buyers, 1,952 primary processors/ hullers, 31 wet mills, 20 coffee grading facilities, and 38 roasters. During the exercises;

- 404 facilities were sealed off for non-compliance due to lack of licenses, unapproved structures, poor hygiene and/or processing wet coffee.
- 181 offenders were prosecuted for lack of licenses, processing wet coffee, adulteration etc.

3.2.3 Registration and Licensing Value Chain Actors

UCDA annually registers and licenses coffee value chain actors to operate in the coffee industry. In the reporting period the Authority registered and licensed 2,744 actors including, 847 processing factories, 1,044 buying stores, 639 buyers, 33 wet mills, 45 roasters, 129 coffee exporters and 7 export grading facilities.

The number of value chain actors at post-harvest level has steadily increased from 506 to 2,164 between FY 2016/17 and FY 2022/23. Below is a table showing the trend of licensed value addition facilities over the last 7 years.

S/N	Category	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1	Export Company	73	92	88	88	81	144	132
2	Primary Processing / Huller	454	548	578	578	677	932	1,093
3	Wet Station	22	22	22	22	22	52	131
4	Roasters	14	17	23	28	28	39	90
5	Export Grading Plants	21	24	36	36	36	35	37
6	Buying Stores	506	715	778	700	801	1,214	2,164

3.3 Increase Coffee Processing and Value Addition

In line with the objective of increasing coffee processing and value addition, this section highlights the achievements made by the authority in the FY 2022/23. The focus of the interventions implemented under this objective was to certify the quality of coffee exports, improve processing standards and capacity, develop the coffee roasting industry, support production and certification schemes for sustainable fine and specialty coffee and improve value addition at all levels of the coffee value chain. The activities under this objective are delivered through the Directorate of Development Services and Directorate of Quality and Regulatory Services.

3.3.1 Quality Assurance, Standards and Accreditation

To ensure compliance with the National Coffee Act 2021, UCDA inspects all coffee exports to ensure compliance to international quality standards, prevent malpractices, and promote good manufacturing practices. In the FY 2022/23, the Quality Control Team inspected and certified 6.292 million 60-kg bags for export to various global destinations.

In addition, 20 taskforce operations were conducted in collaboration with Agriculture Police to enforce coffee regulations and combat poor post-harvest handling practices. These taskforce operations have significantly enhanced post-harvest management practices among value chain actors, promoting compliance with coffee regulations and improving overall coffee quality. The exercises apprehended and punished offenders engaging in coffee malpractices, including:

- Harvesting of immature coffee cherries.
- Illegal marketing of coffee across borders without proper documentation.
- Adulteration of coffee.
- Poor coffee drying practices, such as drying of coffee on bare ground and FAQ coffee in direct sunlight.

To control premature harvesting of coffee, over 100 primary processing plants in the region were temporarily closed at the start of the harvesting season to allow full maturity of cherries and ensure that harvested coffee is properly dried at farm level.



Recommended Drying of Coffee on raised wire mesh has been adopted as a result of intensified enforcement of Coffee Regulations by UCDA

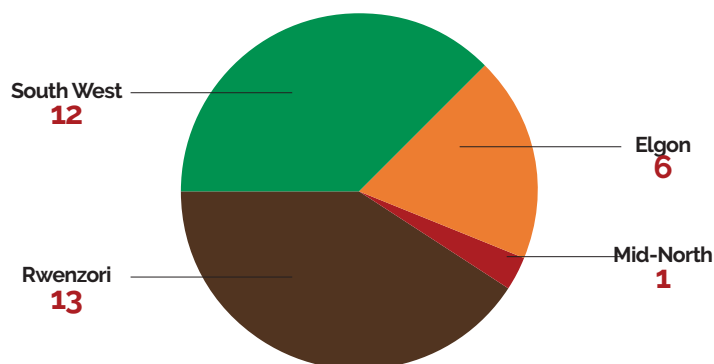
3.3.2 Promotion of wet coffee processing

To improve the quality of Uganda coffee UCDA is running a program to promote wet coffee processing. A total of 35 wet processing equipment were procured and distributed to farmer cooperatives and commercial farmers to improve the quality of coffee. A needs assessment was conducted and it mapped out potential value chain actors who were handling large volumes of coffee but lacked processing equipment.

The distribution mainly targeted arabica growing areas. Wet mills improve the quality of coffee produced and wet processed coffee fetches a premium price as compared to the dry processed coffees. The list of beneficiaries is attached as **Annex I**.

Other promoted practices that preserve quality after harvesting include use of solar driers and tarpaulins to avoid the contamination from drying on bare ground.

■ Number of Wet Mills Distributed per Region



The UCDA wetmill provided to Mugamba Farm in Kabarole District under the Value Addition Initiative.



The Wet Mill allocated to Masha Quality Holdings in Kween district

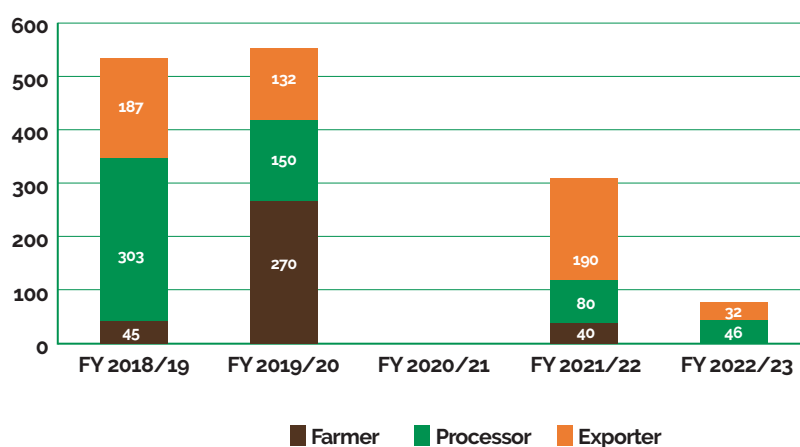


UCDA Staff inspecting wet processed coffee at Mugamba Farm in Kabarole District

3.3.3 Capacity building of Value chain actors in quality control

The Authority trains value chain actors in elementary, basic, and intermediate coffee quality control trainings to improve their capacity to produce quality coffee. In the FY 2022/23, 78 actors including 46 processors and 32 exporters were trained. Cumulatively, over the last 5 years, 355 farmers (29% female) have been trained in elementary coffee quality control, 579 Processors (22% female) trained in intermediate basic quality control and 541 exporters have been trained in basic quality control.

Value Chain Actors Trained in Quality Control



3.3.4 Seasonal taste of harvest competitions for coffee producers and farmers

UCDA organized one successful "Taste of Harvest" competitions, using the Fine Robusta protocols from local producers and farmers. This initiative identifies top cup-quality coffee samples from each harvest season, which are then featured on the Coffee Quality Institute (CQI) website, attracting premium prices

and global recognition. UCDA also supports the producers by shipping the award-winning coffees to interested buyers worldwide and showcasing them at international coffee exhibitions, further boosting the producers' reputation and market visibility.

In the FY 2022/23, the winning categories were as follows:

Arabica "Best of Pearl" competition Winner	Robusta "Best of Pearl" competition Winners
<ul style="list-style-type: none"> Natural Coffee - 87.0 pts - Mugamba Organic Farm Honey Coffee - 85.0 pts - Mt. Harvest Coffee Washed Coffee - 86.5 pts - The Coffee Yard 	<ul style="list-style-type: none"> Winner Robusta Naturals- 86.74points – Ankole Coffee Producers Cooperative Union (ACPCU), Winner Honey processed Robusta coffee 85.65points -ACPCU Winner washed Robusta 84.4 points Kashaari Coffee

3.3.5 Quality Assurance at Tertiary Level – Roasting and Brewing

Roasting Level: 39 coffee roasters and brewers were inspected for compliance to coffee roasting standards. In addition, trainings benefitting 39 roasters were held in Kampala, Mbarara and Kasese. The main challenges affecting the roasters and brewers include:

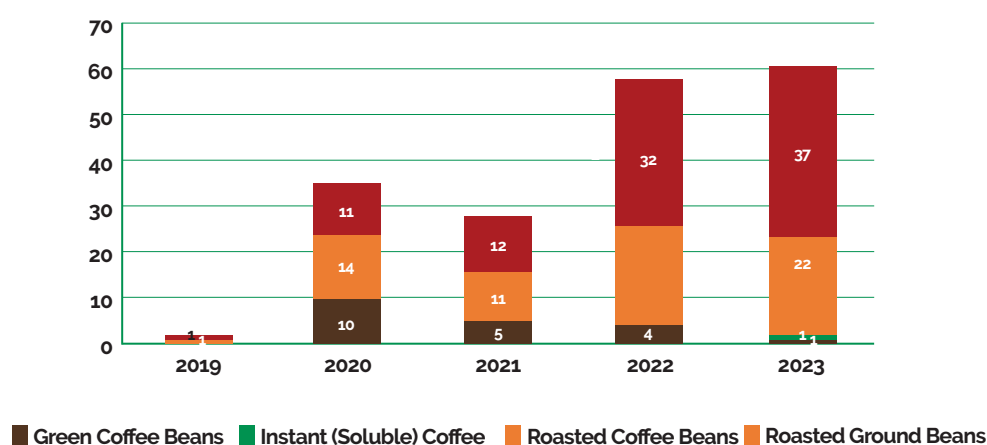
- High costs of roasting equipment,
- Limited access to affordable, quality packaging materials,
- Poor labeling of coffee packages, and,

- Substandard coffee quality with high levels of extraneous matter (e.g. husks) in coffee products.

These issues hinder efforts to promote domestic coffee consumption and undermine the quality of local coffee products on the market.

To date, the number of UNBS certified roasted coffee brands increased from two in 2019 to 59 in 2023.

■ No. of UNBS Certified Ugandan Roasted-Coffee brands



Brewing Level: Compliance checks were undertaken in Kampala business district area to ensure that Hotels, Restaurants, and Cafes (HORECA) meet coffee quality standards. Only a few establishments in Kampala district use espresso machines, while most rely on instant coffee due to limited equipment.

This reveals a significant gap in the industry, where limited access to specialized brewing equipment like espresso machines hinders the efforts to promote and support domestic coffee consumption and in turn stifling the growth of the local coffee industry.

Institutions of Learning and Government MDAs

As one of the strategies for promoting domestic coffee consumption, UCDA supported Coffee Clubs at 11 higher institutions of learning and 08 government institutions with Coffee Brewing Espresso machines. These included;

- The institution of higher learning included - Makerere, University, Kampala International University, Uganda Christian University Mukono, Busitema University, Islamic University in Uganda, Uganda Martyrs

University Nkozi, Mbarar University of Science and Technology, and Mountains of the Moon University.

- Government MDAs - State House - Entebbe and Nakasero, Office of the Prime Minister, Ministry of Foreign Affairs, National Leadership Institute (NALI), MAAIF, Ministry of Finance and Uganda Hotel and Tourism Training Institute.



Handover ceremony at Muni University



Judith Agena, Quality Assurance Officer UCDA hands over the Espresso machine to the staff of Busitema University



Gulu University Vice Chancellor Prof. George Ladaah Openjuru receives the Espresso machine with a team of academic staff



The Hotel and Tourism Training Institute in Jinja was one of the beneficiaries of the espresso machines

3.3.6 Support to Youth and Women at Tertiary Level

UCDA supports youth and women by providing training in coffee brewing, quality control, grading and barista skills especially to coffee clubs in higher institutions of learning to encourage the youth to drink coffee and acquire skills along the coffee value chain. In the FY2022/23, the program supported 42 youth to build

skills in coffee brewing techniques, quality control, grading and barista skills for increased domestic coffee consumption and employment.

During the 19th AFCA exhibition and conference in Kigali, 4 Ugandan Baristas were sponsored and competed at the African Barista Championship and emerged winners in 1st, 2nd and 3rd positions.



Baristas making presentations during the Barista championships during the 19th African Fine Coffees Conference and Exhibition in Kigali Rwanda.



Ibra Kiganda is congratulated by one of the judges for his outstanding presentation.



3.3.7 Development of Uganda coffee profiles

UCDA profiled Uganda's coffees to link origin and agro-ecological zones, creating a coffee profile map for marketing and differentiation. Up to 634 samples from major Arabica and Robusta regions were analyzed for physical, sensory, and biochemical attributes. Results showed distinct flavor profiles for each agro-ecological zone, with Robusta exhibiting spicy, dried fruit, and chocolaty notes, and Arabica showing flowery, fruity, and sugar browning notes.

3.4 Increase Consumption of Ugandan Coffee and Its Products, Locally and Internationally

3.4.1 Promotion of Domestic Coffee Consumption

The domestic coffee consumption is estimated at just over 5% of the total Uganda Coffee production. In an effort to promote domestic coffee consumption, UCDA participated in 43 coffee consumption promotions events including the 28th National Agricultural show in Jinja where UCDA emerged the Best exhibitor, and at the PPDA Business Expo in Kololo, and Harvest Money

expo. During the shows, coffee was provided for tasting to showcase the uniqueness of Uganda coffee to participants, and Information on health benefits of drinking coffee was disseminated.

3.4.2 Promotion of Uganda coffee at international and regional exhibitions

UCDA promoted Ugandan coffee at 7 international exhibitions including: Uganda Vietnam Business Expo, US-Uganda International Trade summit, Independence Day celebrations in Ankara Turkey and at the 19th AFCA Conference and exhibition in Kigali, Rwanda), The 2nd Uganda Expo in Moscow Russia, The Specialty coffee Expo in Portland, USA and the World of Coffee Expo, Greece where the Uganda National Champion competed emerging 33rd out of 48 registered competitors.

These events aimed to promote Ugandan coffee, attract investors, and increase exports to traditional and emerging markets like the UAE, in line with the National Development Plan III's strategic objectives.

Uganda Robusta Coffee Shines at the World of Coffee in Athens, Greece

UCDA showcased the best of Uganda Robusta and Arabica coffee at the World of Coffee (WOC) in Athens, Greece which is the biggest annual coffee show in Europe.

Such expos provide a platform for UCDA and Ugandan coffee companies to connect with the top coffee buyers in the world, learn industry best practices and new technologies, and improve the quality and value



UCDA staff led by the MD, Dr. Emmanuel Iyamulemye, with Wokorach Michael, who represented Uganda at the World Barista Championship in Greece.



Wokorach showcased Uganda as the birthplace of Robusta coffee and a source of Fine Robusta and specialty Arabica. He was the only competitor to use robusta coffee in his presentation.

of coffee exports through knowledge sharing. Some of the exhibitors get business connections and go ahead to sign export contracts.

The Authority supported 2 Ugandan producers (Ankole Coffee Producers Union and Mt. Harvest Ltd) of specialty Arabica and Fine Robusta to showcase their coffee at the EXPO to enhance market access for Uganda coffee. Other Ugandan producers at the EXPO included Masaka Cooperative Union, JKCC,

Jofald Rayel, and Kawumu farmers.

UCDA supported the National Barista Champion 2023, Michael Wokarach, to represent Uganda at the World Barista Championship (WBC) held at the same event. He emerged as the 33rd out of 48 competitors from across the world and was acclaimed for profiling Uganda Robusta and presenting it on the highest stage in the world.

3.4.3 Promotion and marketing of Uganda coffee to China and Far-East countries

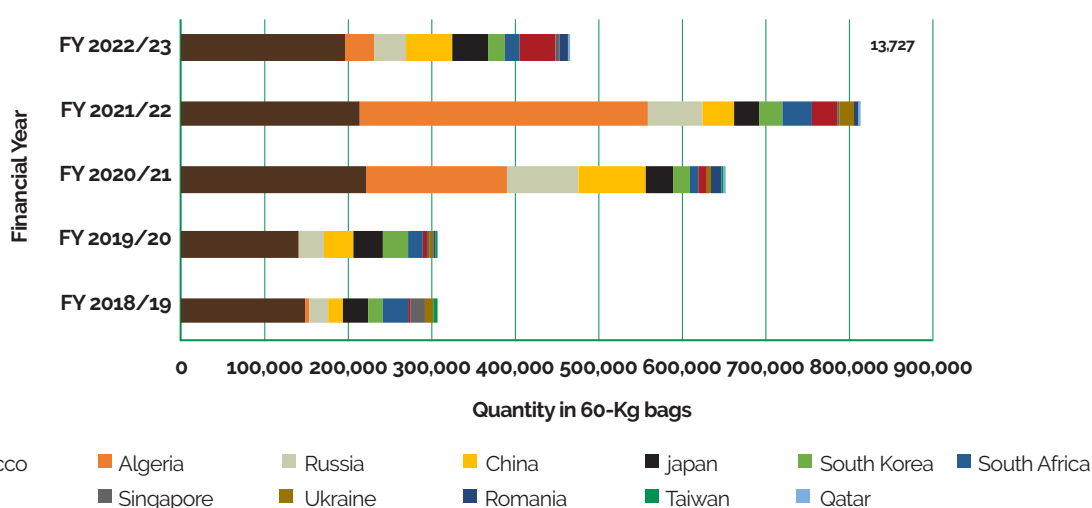
China is one of the key emerging coffee markets and therefore UCDA established an office in China to promote Uganda coffee. Uganda Exports to China market more than trippled between FY 2018/19 and FY 2020/21 from 18,270 60-Kg bags to 80,549 60-kb bags.

However, because of the strict COVID 19 Pandemic

restrictions in China the volumes sharply dropped to 38,097 60-kb bags. Following the lifting of the lockdown, there has been a positive bounce back and in the FY 2022/23, Uganda exported 54,882 60-Kg bags.

The coffee roadmap initiative one on building structured demand for Ugandan coffee aimed at promoting Uganda coffee in new and emerging markets such as Morocco, China, Russia, and Algeria aside from the traditional markets like Italy, Belgium and Sudan.

■ Coffee Exports to New and Emerging Markets

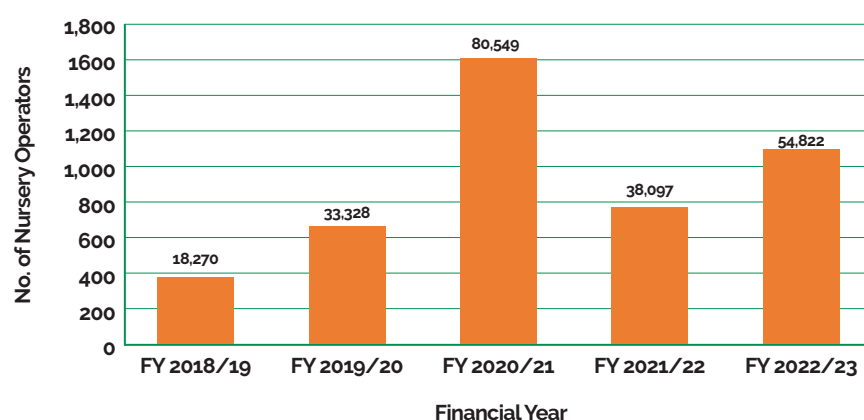


3.4.4 Promotion of Uganda Coffee on the China Market

The China market was specifically after being identified to have a growing demand for coffee and being the 10th largest importer of Ugandan coffee. Among the activities carried out in the FY was entering an MOU with Jinda Coffee Market as a partner in promoting

Uganda coffee in China. The team in the china office conducted 2 cupping sessions in collaboration with Uganda missions in China at the China African Coffee Industry Cooperation Forum- Changsha and at the China National Barista Vocational Skills Competition - Jinda Market.

■ Trend of Coffee Exports to China



3.5 Conclusion

The chapter highlights progress in storage, value addition, and consumption of Uganda coffee, with

improvements in post-harvest handling, storage, and domestic consumption.



CHAPTER
04

MARKET DEVELOPMENT AND INTELLIGENCE

4.0 Market Development and Intelligence

4.1 Introduction

This chapter reflects how the Ugandan coffee market performed during the Financial year and the fundamental factors which led to the export performance, where Uganda coffee is destined and the key other interventions undertaken by the Strategy and Business Development Directorate during the year.

The following were achieved during the year:

- Conducted 4 quarterly stocks verifications at exporter level. At the end of June 2023, the closing stocks at exporter level stood at 0.96 million bags whereas at end of June 2022 they stood at 1.27 million bags, representing a slight decrease.
- Carried out two coffee production surveys covering Central, Western, South-western and Greater Masaka Regions. Results showed total

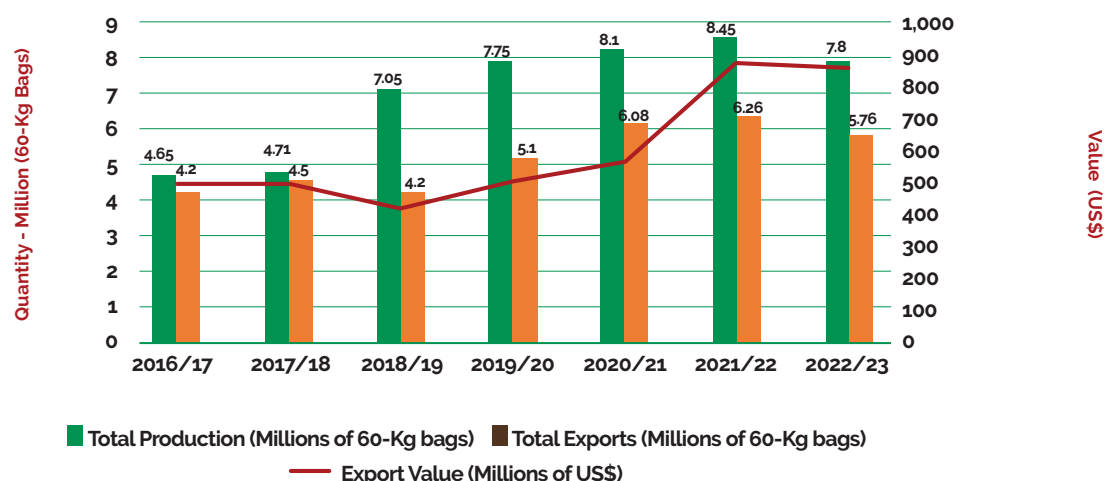
gross coffee production estimates from the four regions to be 5.8 million bags (South-Western: 3.2 million bags, Greater Masaka: 1.1 million bags, Central: 1.1 million bags & Western: 0.3 million bags).

4.2 Comparative Export Performance

Coffee export performance during FY 2022/23 amounted to 5.76 million 60kg bags² worth US\$ 846 million compared to 6.26 million 60kg bags valued at US\$ 862 million the previous financial year, representing a decrease of 8% and 2% in quantity and value, respectively.

The figure and table below illustrates the comparative monthly coffee export performance for Financial Years, 2021/22 and 2022/23 in terms of quantities exported and values. In the first half of the year, the quantity exported was lower than the corresponding months

■ Total Production, Exports and Value of Exports 2016-2023



² The word "bag" in this chapter is used to represent a 60-kg bag of Fair Average Quality (FAQ) Coffee/ Green Coffee

the previous year which was attributed to drought that resulted in a smaller harvest in central, eastern, south western and Masaka regions. Coffee exports in the second half of the year however rose due to Robusta yield in Central and Eastern regions.

The value of coffee decreased in tandem with lower exports. Total exports amounted to 5.76 million bags worth US\$ 846 million compared to 6.26 million worth US\$ 862 million the previous year, a decrease of 8% and 2% in quantity and value, respectively

Comparative monthly exports for FY 2021/22 and FY 2022/23

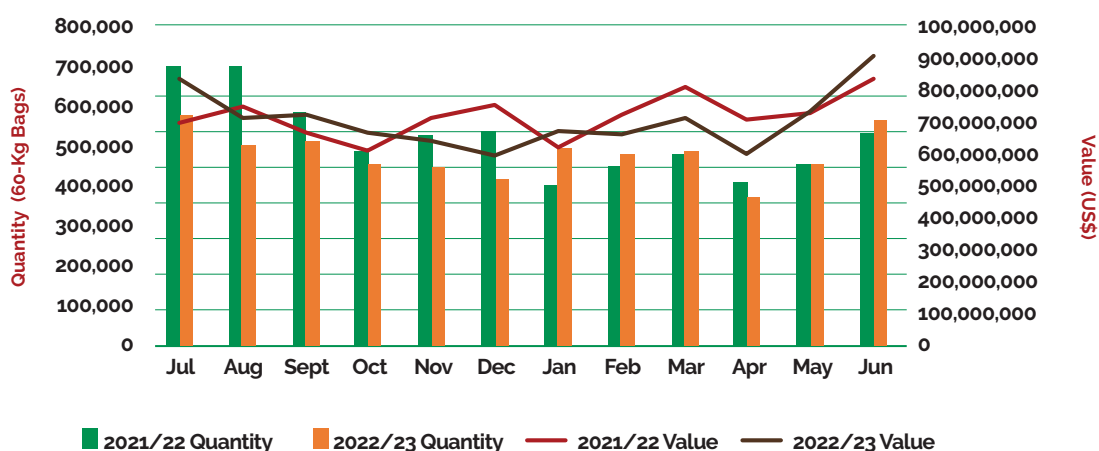


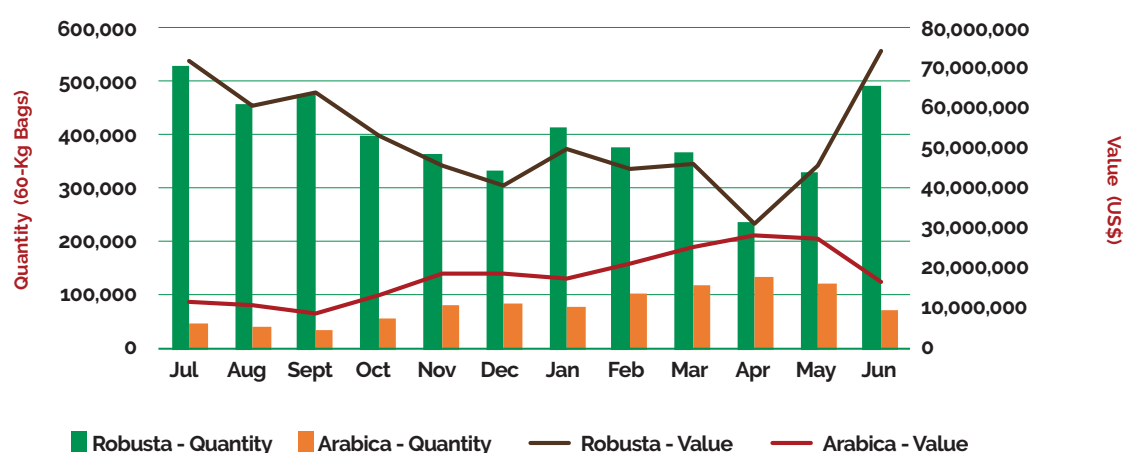
Table 1: Comparison of Monthly Exports by Quantity and Value FY 2021/22 and FY 2022/23

Month	FY 2021 / 22		FY 2022 / 23		Percentage change	
	Quantity	Value	Quantity	Value	Quantity	Value
Jul	699,375	69,858,068	575,813	83,424,451	-17.67	19.42
Aug	700,990	75,097,810	501,721	71,247,380	-28.43	-5.13
Sep	586,545	66,735,618	511,759	72,394,773	-12.75	8.48
Oct	484,959	61,097,766	454,850	66,737,678	-6.21	9.23
Nov	525,915	71,219,460	447,162	64,195,442	-14.97	-9.86
Dec	537,274	75,356,632	418,799	59,534,172	-22.05	-21.00
Jan	401,892	61,939,266	494,082	67,253,285	22.94	8.58
Feb	450,412	72,384,040	479,446	66,020,885	6.45	-8.79
Mar	478,007	81,037,320	487,735	71,491,470	2.04	-11.78
Apr	407,724	70,888,211	372,912	59,844,500	-8.54	-15.58
May	454,876	72,872,845	453,118	73,240,595	-0.39	0.50
Jun	530,365	83,794,704	564,152	90,633,636	6.37	8.16
Total	6,258,334	862,281,740	5,761,549	846,018,265	-7.94	-1.89

The figure below illustrates coffee exports by type. There was a negative trend in both quantities exported and value from the beginning of the FY in line with the harvesting calendar up to December, the trend reversed up to April then recovered in June at the tail end of the financial year on account of the big main

harvest in Masaka and South-western regions. For Arabica, it was an off-year biennial period and exports kept on reducing from July to January, recovered briefly up to March before continuing with its negative trend up to June.

■ Coffee Exports by Type for FY 2022/23

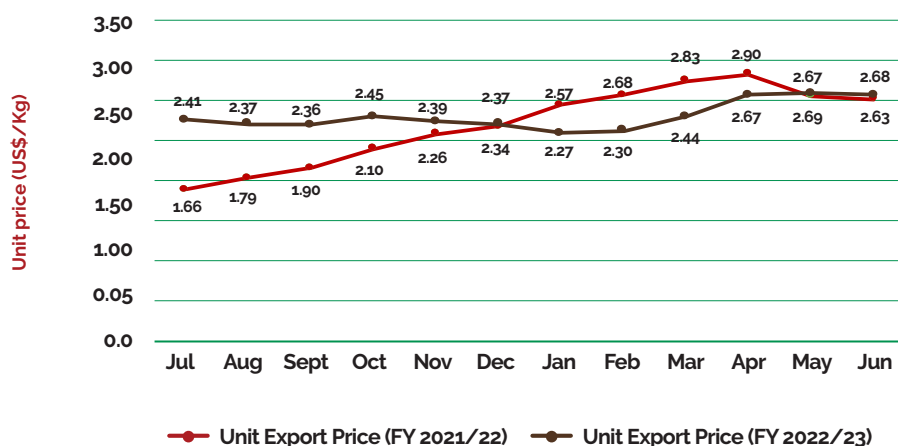


4.3 Unit Export Prices

Weighted monthly unit export prices ranged between US\$ 2.45 per kg to US\$ 2.69 per kg in FY 2022/23 compared to US\$ 1.66 per kg to US\$ 2.90 per kg in the previous year. This was on account of higher global coffee prices driven by tight global supplies as a result of weather related conditions that affected

Brazil's coffee production. The high price was also attributed to change in consumption for consumers who started consuming coffee from outdoors as Covid 19 pandemic restrictions eased. The weighted average price for FY 2022/23 was US\$ 2.45 per kg compared to US\$2.30 per kg in the previous year.

Comparative Weighted Monthly Coffee Export Prices in FY 2021/22 and FY 2022/23 (US\$/Kg)



4.4 Coffee Performance by Grade

The figure above shows coffee exports by grade for Financial Years 2020/21 and 2022/23. The figure clearly shows that there was an appreciable increase in global Arabica coffee prices on account of supply concerns Europe and lack of containers which disrupted the flow of coffee on top of easing if border restrictions in Vietnam. Global coffee prices and hence realized export prices.

4.4.1 Coffee Performance by Grade

There was a decrease in Screen 18 from 0.83 million bags exported in FY 2021/22 to 0.56 million bags in FY 2022/23, a 32% decrease and a corresponding value of US\$ 79.86 Million in FY 2022/23 compared to US\$ 102.68 million in FY 2021/2. The percentage share of

Screen 18 of total Robusta exports decreased from 12% in FY 2020/21 to 16% in 2021/22. Similarly, there was a slight decrease in Screen 17 exports from 457,225 60-kg bags in FY 2021/22 to 413,346 bags in FY 2022/23 which was a decrease of 10%. The corresponding values were US\$ 56.20 and US\$ 56.62 in Financial years 2021/22 and 2022/23 respectively. Screen 15 exports also decreased from 2,416,249 bags valued at US\$ 294 million in 2021/22 to 2,156,626 bags valued at US\$ 293 million in 2022/23. The percentage share of Screen 15 to total Robusta exports decreased from 46% in FY 2021/22 to 45% in FY 2022/23. Screen 12 grade decreased too during the year by 7%, This is attributed majorly to drought that was experienced in most growing regions.

Table 2: Coffee Exports by Grade FY 2022/23

GRADE	FY 2021/22			FY 2022/23		
	Quantity	Value	Unit value	Quantity	Value	Unit value
Robusta (60-Kg bags)						
Organic Robusta	7,744	1,085,439	2.34	7,364	1,087,330	2.46
Washed Robusta	31,309	5,015,542	2.67	20,020	2,971,112	2.47
Scr 18. Organic	2,640	352,701	2.23	2,240	299,261	2.23
SC 15 Organic	11,330	1,513,674	2.23	2,897	387,036	2.23
SC 18 Fair trade	700	93,519	2.23	7,115	950,555	2.23

GRADE	FY 2021/22			FY 2022/23		
	Quantity	Value	Unit value	Quantity	Value	Unit value
SC 15 Fair trade	7,657	1,022,966	2.23	36,021	4,812,361	2.23
SC 14 Fair trade	2,880	371,383	2.15	6,808	910,387	2.23
SC 12 Organic				2,000	267,198	2.23
SC 18	827,525	102,678,228	2.07	560,777	79,861,575	2.37
SC 17	457,225	56,202,485	2.05	413,346	56,623,741	2.28
SC 15	2,416,249	293,544,548	2.02	2,156,626	292,559,894	2.26
SC 14	44,134	5,603,812	2.12	102,200	13,920,260	2.27
SC 13	32,760	3,899,734	1.98	3,996	473,938	1.98
SC 12	813,740	95,985,945	1.97	754,833	97,541,647	2.15
BHP 1199	350,894	32,925,841	1.56	383,290	38,705,760	1.68
Other Robustas	249,898	24,557,021	1.64	298,519	34,142,759	1.91
SUB-TOTAL (Total Robustas)	5,256,685	624,852,838	1.98	4,758,052	625,514,814	2.19
Arabica (60-kg bags)						
BugisuAAA				10	2,844	4.74
BugisuAA	112,817	31,811,094	4.70	93,484	22,552,323	4.02
Bugisu A	2,257	639,664	4.72	8,749	1,902,579	3.62
BugisuPB	325	97,357	4.99	175	40,184	3.83
BugisuB	167	32,891	3.28			
Bugisu AB	106,178	29,206,100	4.58	91,557	21,986,189	4.00
Bugisu CPB	5,694	1,414,756	4.14	14,347	3,331,516	3.87
Bugisu C	8,861	1,687,599	3.17	3,839	996,591	4.33
Mixed Arabica	7,320	906,884	2.06	2,430	379,632	2.60
Wugar	82,282	23,286,730	4.72	144,042	35,649,301	4.12
Drugar	430,581	98,206,885	3.80	407,235	86,348,422	3.53
Mt. Elgon A+	63,058	19,056,411	5.04	47,034	12,412,688	4.40
Mt. Elgon A	33	11,873	6.00	63	20,492	5.42
Mt. Elgon AB	196	64,620	5.49	125	34,614	4.62
Mt. Elgon PB	65	22,831	5.85	99	42,339	7.13
Mt Elgon AA	1,014	252,952	4.16	4,547	1,212,905	4.45
Mt. Elgon CPB	366	108,567	4.94	38	11,053	4.85
Mt. Elgon B	209	56,955	4.54	194	66,794	5.74
Mt. Elgon C	14	4,053	4.82			
Rwenzori AA	215	57,447	4.45	497	123,543	4.14
Rwenzori A				360	115,253	5.34
Rwenzori AB	105	28,056	4.45	30	13,572	7.54
Rwenzori PB				5	2,295	7.65
Rwenzori CPB				788	152,747	3.23
Kapchorwa A+	22	5,093	3.86			
Kisoro AA	21	4,333	3.44			
Kisoro AB	10	1,852	3.09			
Wugar Fairtrade	320	80,424	4.19			
Bugisu A+	7,119	2,233,811	5.23	15,944	4,202,034	4.39

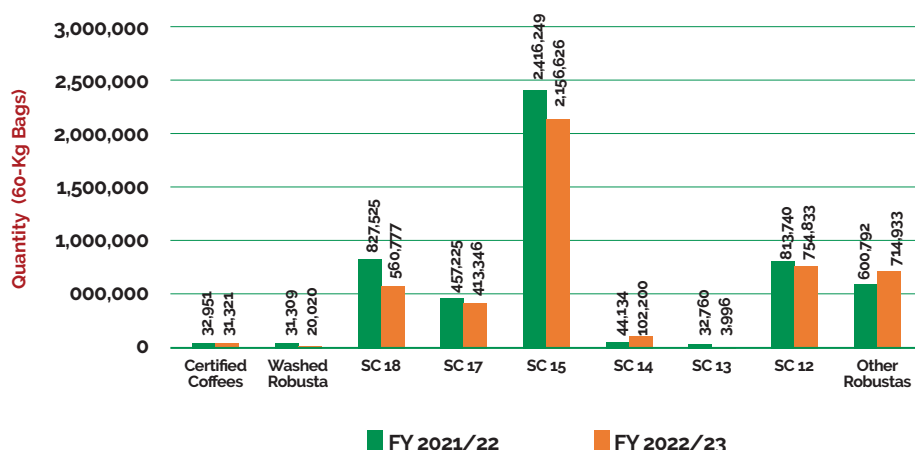
GRADE	FY 2021/22			FY 2022/23		
	Quantity	Value	Unit value	Quantity	Value	Unit value
Organic Bugisu	6,360	1,623,013	4.25	6,028	1,591,962	4.40
Fully washed Sipi Falls	28,477	8,484,927	4.97	29,571	8,349,990	4.71
Drugar fairtrade				1,080	144,287	2.23
Organic Okoro	2,779	844,085	5.06	9,670	2,476,697	4.27
Okoro CP/B	41	17,788	7.23	40	11,961	4.98
Organic Drugar	4,112	969,204	3.93	4,030	1,104,090	4.57
Organic Wugar	3,200	775,666	4.04	960	213,398	3.70
Other Arabicas	127,431	15,434,978	2.02	116,526	15,011,156	2.15
SUB-TOTAL (Total Arabicas)	1,001,649	237,428,902	3.95	1,003,497	220,503,451	3.66
GRAND TOTAL	6,258,334	862,281,740	2.30	5,761,549	846,018,265	2.45

4.4.2 Comparative exports for Sustainable Grades and other selected Robusta Grades

During the year, the sustainable/fine coffee exports decreased. Certified Robusta exports decreased from

32,951 bags to 31,321 bags (5% decrease) while Washed Robusta decreased by 36% from 31,309 in FY 2021/22 bags to 20,020 bags in FY 2022/23.

■ Comparative exports for Sustainable Grades and selected Conventional Robusta grades for FY 2021/22 and FY 2022/23

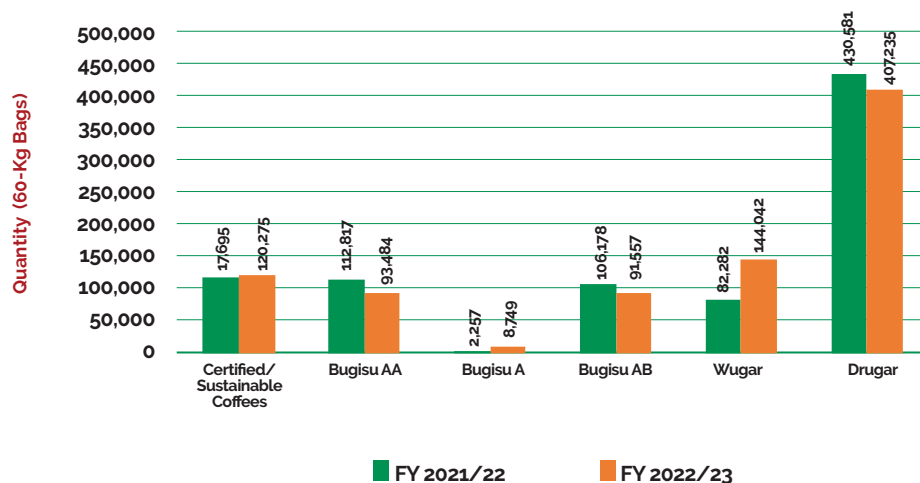


4.4.3 Comparative Exports for selected Arabica grades

The figure below shows exports for selected Arabica grades. Sustainable/specialty coffee exports increased from 117,695 bags which was 12% of Arabica exports in FY 2021/22 to 120,275 bags, a 12% export share of Arabica coffee in FY 2022/23. Bugisu AA decreased from 112,817 bags in FY 2021/22 to 93,484 bags in FY 2022/23. Similarly, Bugisu AB decreased from 106,178 bags to 91,557 bags

in the same period. A significant increase in Bugisu A and Wugar exports during the year was observed. The increase in wugar is attributed to intensified efforts by UCDA to promote wet processing of coffee by distributing wet mills to farmers and farmer organizations. Drugar exports decreased from 430,581 bags in FY 2021/22 to 407,235 bags in the same period. The percentage share of Drugar to total Arabica exports also dropped from 43% in FY 2021/22 to 41% in FY 2022/23.

Comparative exports for selected Arabica grades for FY 2021/22 and FY 2022/23



4.5 Percentage Share of Different Coffee Grades

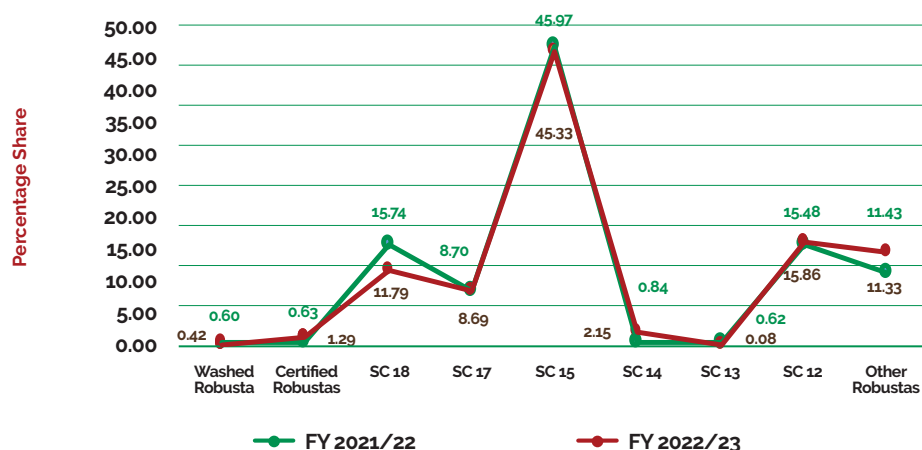
A comparison was sought to ascertain whether there was an appreciable improvement in the grade share compared to total Robusta and Arabica coffee types separately in percentages in the 2 financial years.

4.5.1 Robusta Grades

In the FY 2022/23, there was a decrease in the

proportion of Screen 18, Screen 17, Screen 15 and Screen 12 to total exports compared to the previous financial year. Screen 18 proportion decreased from 15.74% to 11.79%; Screen 17 from 8.70% to 8.69%. There was also a reduction in percentage of Screen 15 to total coffee exports from 45.97% in FY 2021/22 to 45.33% in FY 2022/23. Certified/washed Robustas increased to 1.29% from 0.63% in the previous year.

Comparative export share for Robusta grades for FY 2021/22 and 2022/23 in percentages

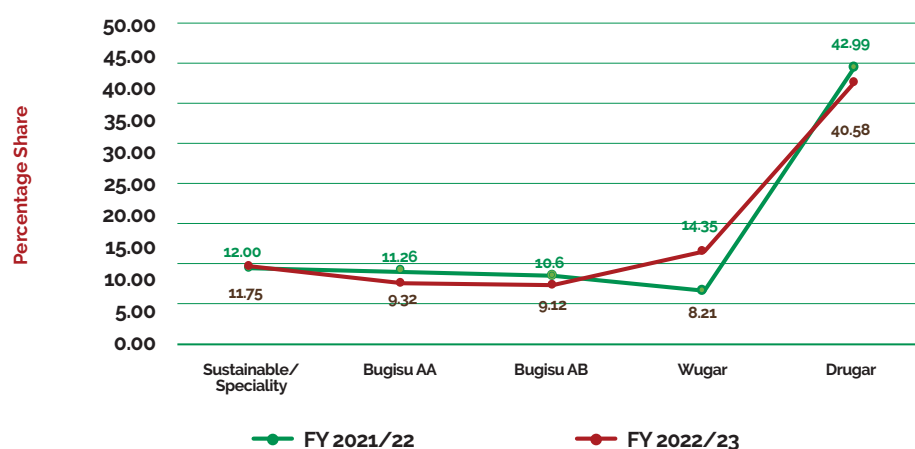


4.5.2 Arabica Grades

For sustainable/specialty coffees, there was a percentage increase from 11.75% of Arabica coffee exports in FY 2021/22 to 12% in FY 2022/23. On the other hand, the Bugisu AA's proportion decreased from 11.26% the previous year to 9.32%. and Bugisu

AB from 10.6% in FY 2021/22 to 9.12% in FY 2022/23. Drugar exports' proportion of total Arabica exports reduced from 42.99% to 40.58%, while the proportion of Wugar total exports increased from 8.21% to 14.35%, a reflection of increased investment in washed coffees in Arabica growing regions as seen in the figure below.

■ **Comparative Exports for Sustainable/Specialty Arabica grades for FY 2021/22 and 2022/23 in Percentages**

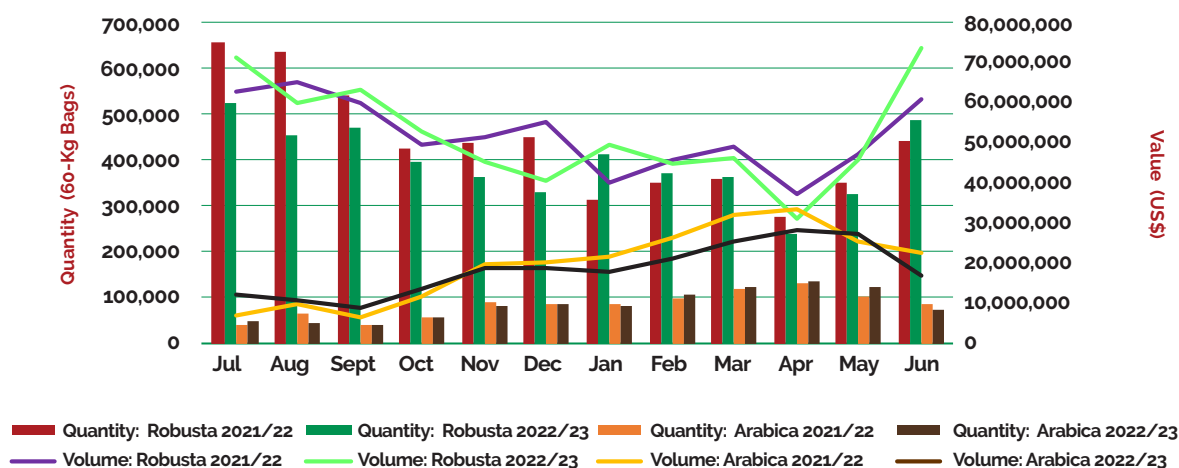


4.5.5 Coffee Exports by type

The figure below shows the coffee exports by type. A total of 5.76 million bags worth USD 846 million in FY 2022/23 compared with 6.26 million bags worth USD 862 million in FY 2021/22. This represented a decrease of 8% and 2% in quantity and value respectively. In terms of type, Robusta coffee reduced by 9% in quantity while it increased by 0.1% in value. Arabica

coffee exports increased 0.2% in quantity and reduced by 7% in value. The proportion Robusta exports to total exports reduced from 84% in FY 2021/22 to 83% in FY 2022/23. In terms of value, Robusta exports contribution increased from 72% of total value to 74% in FY 2022/23.

Coffee Exports by Type and Value in FYs 2020/21 and 2021/22

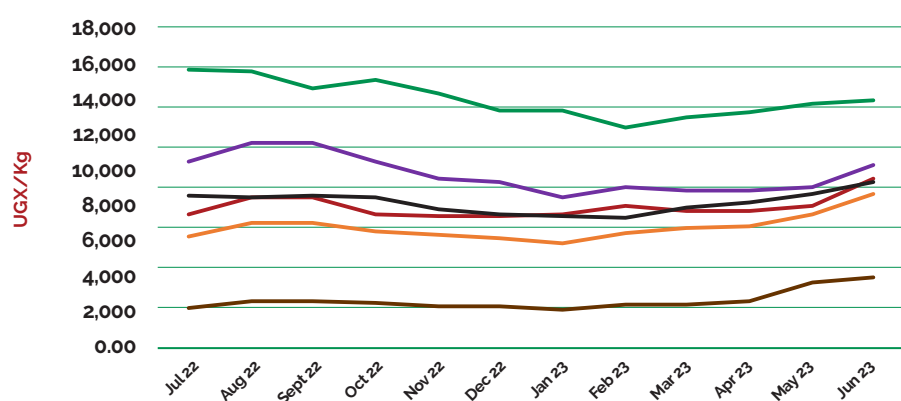


4.6 Price Discovery at Farm Level

The figure below shows that there was a negative trend in farm gate prices in tandem with the global export prices which began to recover in Quarter 4. Farm gate unprocessed Robusta/Kiboko prices ranged from 2,200 to 4,000 per kg, Robusta clean

coffee (fair average quality) prices ranged from 6,200 per kg to 8,700/- per kg. Arabica parchment ranged from 9,000/- per kg to 11,500/- and Drugar (Arabica clean coffee) prices which ranged from 7,400/- per kg to 9,500/- per kg.

Comparison of Coffee Farm Gate and Export prices in FY 2022/23

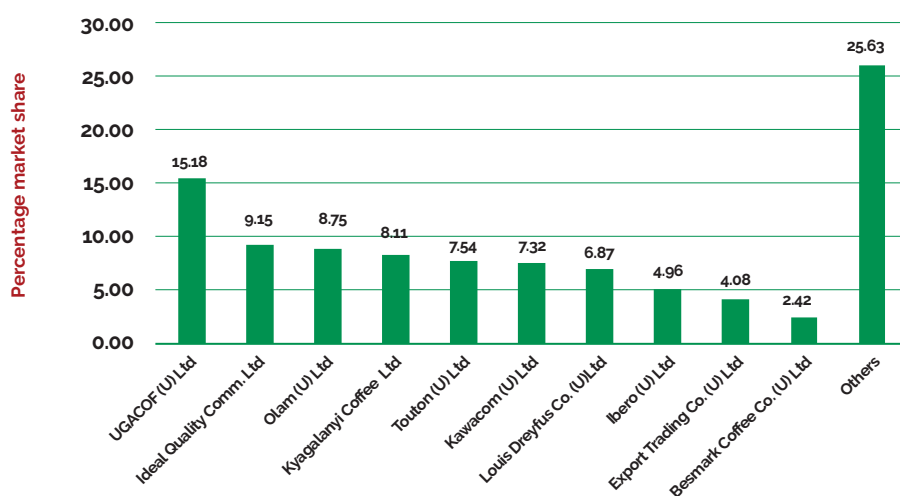


4.7 Exporter Performance of Uganda Coffee

The figure below shows the performance of coffee exporters in terms of market share. The first 10 had a market share of 77% compared to 74% the previous year. Ugacof (U) Ltd. led with a market share of 15% the same as the previous year. This was followed by Ideal Quality Commodities Ltd. with a market share of 9% compared to 10% the previous year; Olam (U)Ltd. 10% (10%); Kawacom (U) Ltd 8% (6%); Touton Uganda Limited. 8% (7%); Kyagalanyi Coffee Ltd. 7% (10%) ;

Louis Dreyfus Company (U) Ltd. 7% (9%); Ibero U) Ltd. 5% (4%); Export Trading Company (U) Ltd. 4% (3%); and Besmark Coffee company Ltd. 4% (3%). The figures in the brackets represent percentage performance in the previous year. The figure shows increasing concentration at exporter level and dominance of multinational companies in Uganda coffee trade. This is good for enhanced efficiency on account of heavy investments in processing and knowledge of global market dynamics on one hand but also poses a risk in case they relocated to other origins.

■ Coffee Exporters Performance in FY 2022/23 by Market Share

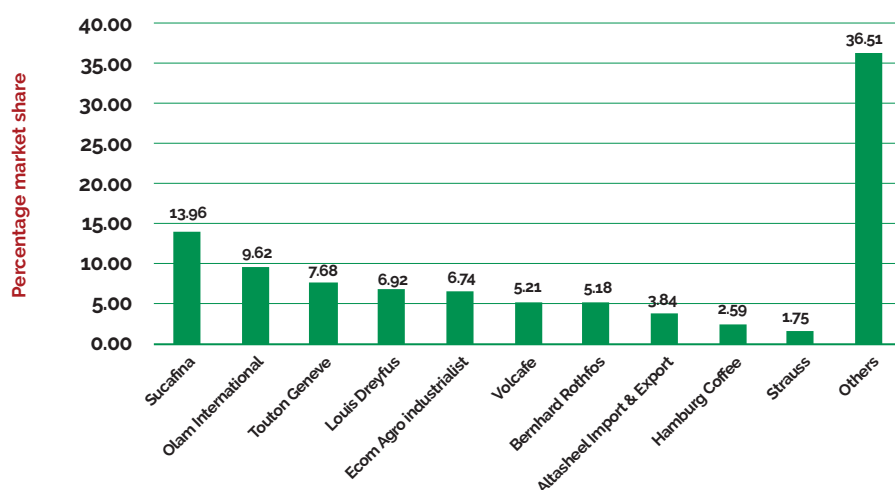


4.8 Buyers of Uganda Coffee

The figure below illustrates the major buyers of Uganda coffee during the year. The 10 major buyers had a market share of 63% indicating that it is widely demanded by different buyers although the 5 major buyers took a market share of 44%. Sucafina had the

highest market share of 14% during the year compared to 15% the previous year. It was followed by Olam International - 10% (12%), Touton Geneve - 8% (5%), Louis Dreyfus 7% (5%) and Ecom Agro industrialist 7% (7%). The figures in brackets represent percentage performance in the previous year.

Percentage market share of buyers of Uganda coffee

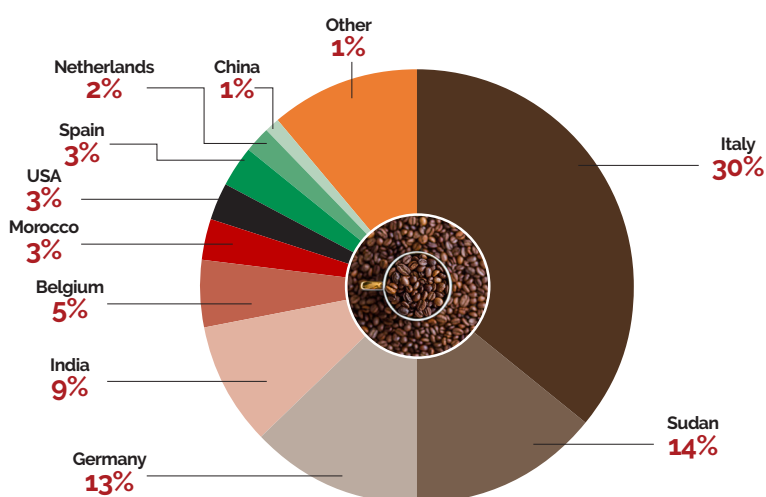


4.9 Destination of Uganda Coffee

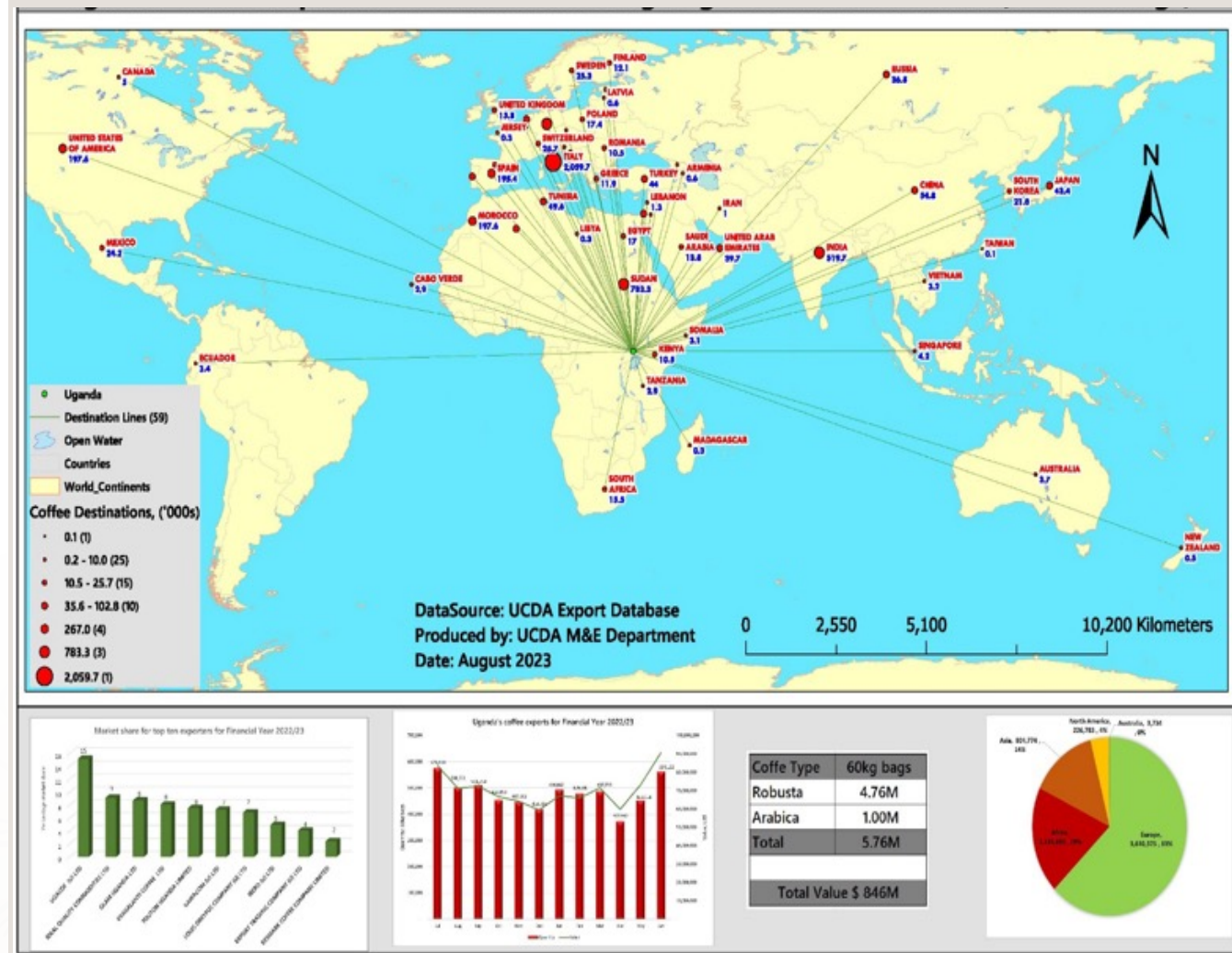
Italy continued to dominate Uganda's green coffee exports with a 36% market share compared to 34% in Financial Year 2021/22 followed by Sudan 14% (11%), Germany 13%(13%) India 9% (7%) Belgium 5% (5%),

Morocco 3% (3%), U.S.A 3%(5%) and Spain 3% (4%), as shown in Figures below. *Figures in brackets represents percentage performance in the previous year.*

Major Destinations of Uganda Coffee in FY 2022/23



Uganda Coffee Exports Destination for FY 2022/23 (000' of 60-Kg Bags)



4.10 Conclusion

This chapter focused on Uganda's coffee market both locally and internationally. Although the coffee export volume and value decreased during the year compared to the previous year, there was an increase

in the unit value in as a result of higher global coffee prices. Europe continued to be the main destination of Uganda's coffee with over 60% of the export volume going to European Union countries export volume going to European Union countries.



CHAPTER
05

INSTITUTIONAL DEVELOPMENT AND ACCOUNTABILITY

5.0 Institutional Development and Accountability

5.1 Introduction

During the year, a number of governance, labor productivity enhancement initiatives and institutional programmes were implemented including passing of the National Coffee Act 2021 by Parliament, drafting of the coffee new regulations, conducting of a board remuneration survey, recruitment of new staff, publicity related interventions in social media with a major highlight on Uganda's rank as number 3 globally in terms of quality as well as re-branding of the Authority. Compliance with the COVID-19 Standard Operating Procedures (SOPs) was maintained during the period which provided a conducive environment for continuity of service delivery to our clients. An ICT enabler in form

of an e-system to monitor staff's performance in the field as well as registering coffee value chain actors as stipulated in the NCA 2021, commenced during the year.

5.2 Financial Performance for the Financial Year 2022/23

5.2.1 Annual Budget Performance

The Annual Budget for the Financial Year 2022/23 was UGX 64.94 billion of which UGX 39.32 billion was released representing 60.55% of the budget. The table below details the budget released per directorate to facilitate activities for the financial year.

Table 4: UCDA Annual Budget Performance by Directorate

Directorate & Release Category	12 Months Releases	Expenditure for the Period July 22 to June 23	Variance	% Expenditure Against Releases
Wage	10,125,073,412	10,125,073,412	-	100%
Corporate Services (Includes Gratuity, NSSF & Allowances)	14,586,082,486	13,193,114,856	1,392,967,630	90%
Development Services	8,065,646,101	7,972,463,730	93,182,371	99%
Quality Assurance	2,342,615,296	2,337,359,719	5,255,577	100%
Strategy And Business Development	1,389,247,063	1,385,767,592	3,479,471	100%
Retooling Of Uganda Coffee Development Authority (Capex)	2,812,125,088	2,800,948,604	11,176,484	100%
Total	39,320,789,446	37,814,727,913	1,506,061,533	96%

5.2.2 Revenue Generated by UCDA

UCDA generated total revenue of UGX 65 Bn representing 97% against projected revenue of UGX 67.08 Bn revenue performance. The major source of revenue was Cess of UGX 63.453 billion which is 2% of total the value of export made in the financial year and

other sources included rent from UCDA properties, value chain actor registration fees and sundry income (sale of bid documents & disposal proceeds as illustrated in the table below;

Table 5: Revenue Generated by UCDA

Revenue Sources	12 Mths Projections To 30.06.26 M Shs	12 Mths Actuals 30.06.2023 M Shs	12 Mths Variance M Shs	% Performance
CESS	65,505	63,453	(2,053)	97%
Rent	1,229	1,064	(165)	87%
Export License	129	221	92	171%
Coffee Processing Fees	128	231	103	180%
Sundry Income (bid documents and penalty fees)	85	136	51	159%
NTR	67,077	65,103	(1,973)	97%

5.3 Human Resource Development

Staff trainings and Continuous professional development (CPD) was undertaken benefitting all UCDA staff and these included attainment of certifications with professional bodies (20) like ACCAs, CPA, CIPs, CPAU, IIA and IPPU ; staff awareness and sensitization on mental health (100); Performance management (110) Utilization of the Geo-Spatial M&E System and Farmer Registration App (82); attending professional conferences, Certification in Agricultural Extension Services (2) and Masters Program in Coffee Science and Economics Program (1), among others.

5.4 Strengthen Monitoring and Evaluation System to track the

Implementation of UCDA and Coffee Sub-Sector Activities

Monitoring and evaluation activities were undertaken by the UCDA Board of Directors and technical staff to assess the progress of implementation and to track progress in all coffee growing regions. Specifically, the UCDA Board of Directors visited Rwenzori and Greater Masaka regions and the identified challenges included high demand for coffee seedlings, high costs of inputs, pests and diseases, and poor harvesting methods and the major proposed strategy to address these challenges was intensifying farmer training on Good Agricultural Practices and pest control. The visits also observed successes like increased commercial coffee farming.



UCDA. Board Members and staff visit Kibinge Coffee Farmers' Co-operative Society LTD



UCDA team inspecting a beneficiary of fertilizer distribution Mr. Ssebuliba John in Bulamagi S/C, Iganga District

5.5 Strengthen laws and regulations governing the coffee industry

The legal department conducted 4 sensitization workshops on the National Coffee Act, 2021 benefitting 1,293 value chain actors including 730 males, 202 females and 361 youth) coffee stakeholders in the Districts of Kabale, Mbale, Bududa, Bulambuli,

Kapchorwa, Arua, Nebbi, Gulu, Apac, Dokolo, Lira, Kakumiro, Mubende and Hoima. Consultations were also held to discuss the draft National Coffee Regulations with the Technical team in MAAIF and 193 stakeholders in three Regions of South Western, Kigezi and Rwenzori including 31 women, 28 youth and 139male.



The UCDA Board Secretary and Head of Legal sensitizing stakeholders on the National Coffee Act 2021 in Hoima



Stakeholders in Mubende district attending a sensitization meeting on the National Coffee Act 2021

5.6 Publicity and Awareness on Coffee Subsector Achievements

The Corporate Communications Department created awareness, showcased subsector achievements and promoted the coffee industry at various events including the national dialogue on coffee value addition, the annual Agricultural Show, and National Coffee Day celebrations, among others. The events were publicized through various media channels, including TV stations, newspapers, online publications, and social media, reaching a wide audience and creating visibility for UCDA's activities. Four newsletters were produced and disseminated to stakeholders.

5.6.1 National Coffee Day Celebrations in Masaka

UCDA Celebrated the National Coffee Day in Masaka on 06th October 2022 at Kamaama Farm in Nkuuke

Village, Buwunga Sub-county in Masaka under the theme, "A Celebration of Robusta and the Greater Masaka Coffees". The event was graced by the presence of the Katikikiro of Buganda, Owek. Charles Peter Mayiga, the Government Chief Whip, Hon. Dennis Obua, the Minister of Defence and Veteran Affairs, Hon. Vincent Ssempijja Bamulangaki, UCDA Board members, management and staff, coffee value chain actors and the general public.

Stakeholders in the coffee sub-sector discussed the key issues affecting the industry, and the outstanding coffee stakeholders received awards from the chief guests. These included Winners of the annual Best of the Pearl Harvest, The best overall exporter FY 2021/22, Coffee producers, champions, policy makers, and other key players in the industry.



The MD UCDA Dr. Iyamulemye, taking the Katikikiro of Buganda - Charles Peter Mayiga through the Robusta production handbook



Hon. Vincent Ssempijja displays an award he received for his support to the coffee sub-sector during his tenure as Agriculture minister

5.6.2 UCDA signs Memorandum of Cooperation with Private Sector Foundation Uganda

UCDA signed a Memorandum of Cooperation (MoC) with PSFU to establish mutual cooperation in the coffee sub-sector regarding production, productivity, marketing, policy environment, research and coffee business in the private sector of Uganda. The MoC is aimed at opening up new opportunities in areas such

as ICT, tourism marketing, domestic consumption and finance.

“PSFU is currently engaged with 12 coffee companies through various interventions aimed at unlocking over 25,000 work opportunities for the youth (70% women)” Mr. Stephen Asiimwe, CEO, PSFU



Stephen Asiimwe, Chief Executive Officer, Private Sector Foundation Uganda (PSFU) and Dr. Emmanuel Iyamulemye, Managing Director, Uganda Coffee Development Authority after signing the MOC.

5.7 International Obligations and Support to Coffee Associations

Uganda maintained its membership with the Inter-Africa Coffee Organization (IACO) and the African Coffee Roasters Network (ACRN). The country also participated in the 62nd IACO Annual General Meeting and related committees.

Additionally, Uganda supported four coffee associations - Uganda Coffee Federation (UCF), International Women's Coffee Alliance (IWCA), Uganda Coffee Farmers Association (UCFA), and National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE) - by providing rent subsidies, demonstrating its commitment to the coffee industry's development and growth.



Mountain Harvest - Winner Best of the Pearl (Washed Arabica) 2021

5.8 Conclusion

This chapter highlighted on the institutional development and accountability. The coming into force of the National Coffee Act, 2021 with effect from 31st August 2021 will go a long way in strengthening UCDA's mandate to regulate, promote and oversee the

quality of coffee along the entire value chain, support research and development, promote production, and improve the marketing of coffee in order to optimize foreign exchange earnings for the country and payments to the farmers.



JKCC coffee - Fine Robusta



Rubanga Coffee - Fine Robusta from Mitooma, Uganda



Ankole Coffee Producers Cooperative Union - Winner Best of the Pearl (Robusta)

Annex I: List

S/N	Region	Name of Beneficiary	Location	Capacity Of Machine
1	Elgon	Masha Quality Holdings	Kamowo, Kono Parish, Binyiny S/cty, Kween district	600 – 800 kg/hr
2	Elgon	Oliver Kisheru	Makvere village, Sisi Parish, Buginyanya S/cty, Bulambuli district	600 – 800 kg/hr
3	Elgon	Bross coffee	Bumet village, East Division, Kapchorwa District	600 – 800 kg/hr
4	Elgon	Kalamugosi Women Empowerment	Nashu village, Bulago S/cty, Bulambuli District	600 – 800 kg/hr
5	Elgon	Bushika Intergrated Area Cooperative Enterprises Ltd.	Hama Cell, Nangako Town Council, Bududa District	1,000 – 1,200 kg/hr
6	Elgon	Simu oil Company Ltd	Lukonje village, Simu Parish, Simu S/cty Bulambuli District	600 – 800 kg/hr
7	Northern	Lotuturi Prison Farm	Lotuturi, Lamwo District	600 – 800 kg/hr
8	Northern	Ambe Micro station	Thonga village, Pagei Parish, Zombo District	600 – 800 kg/hr
9	Northern	Ayuda Coffee Farmers Coop. Society	Ayuda village, Thanga Parish, Abanga Sub/cty, Zombo District	600 – 800 kg/hr
10	Northern	Okoro Holdings Ltd	Thanga, Abanga Sub/cty, Zombo District	1,000 – 1,200 kg/hr
11	Rwenzori	Karangura Peak Modern Farmers' Cooperative Society	Kyabwire village, Nyakitokoli Parish, Karangura Sub/cty, Kabarole District	600 – 800 kg/hr
12	Rwenzori	Kanyamura Thwekambe Farmers Marketing Association	Mugusu Sub/cty, Kabarole District	600 – 800 kg/hr
13	Rwenzori	Buhura Shakira Monica Mugamba Farm	Bugamba village, Nyantabuma Parish, Harugongo Sub/cty, Kabarole District	600 – 800 kg/hr
14	Rwenzori	North Rwenzori Farmers Initiative Cooperative Society	Kasulenege 111 village, Nyalulu Parish, Halugale Sub/cty, Bundibugyo District	600 – 800 kg/hr
15	Rwenzori	Gorilla Summit Coffee Ltd	Ibanda cell, Karugutu Town Council, Ntoroko District	600 – 800 kg/hr
16	Rwenzori	Rwenzori Organic Coffee Ltd.	Bukara village, Kabonero Sub/cty, Bunyangabu District	600 – 800 kg/hr
17	Rwenzori	Kavuma Robert	Bukara village, Bukara Sub/cty, Bunyangabu District	600 – 800 kg/hr
18	Rwenzori	Lunar Coffee Ltd	Kaghorwe village, Kyabarungira Parish & Scty, Kasese District	600 – 800 kg/hr
19	Rwenzori	Jenga Coffee Ltd	Kaswa village, Bweisumbu s/cty, Kasese District	600 – 800 kg/hr
20	Rwenzori	Isoke Henry	Rwemondo village, Rwimi Sub/cty, Bunyangabu District	600 – 800 kg/hr

S/N	Region	Name of Beneficiary	Location	Capacity Of Machine
21	Rwenzori	Kambale Alexander	Isule village, Maliba Sub/cty, Kasese District	600 -800 kg/hr
22	Rwenzori	Kabagambe Ibrahim/ Maliba Coffee Factory	Maliba 1, Maliba 11 Town Council, Kasese District	600 -800 kg/hr
23	Rwenzori	Ihani Micro washing station	Ihani village, Kibirizi parish, Bugoye Sub/ cty, Kasese District	600 – 800 kg/hr
24	South West	Rwandaro Coffee Farmers' Cooperative Ltd.	Rwandaro cell, Rumuli Parish, Kichwamba Sub/cty, Rubirizi district	1,000 – 1,200 kg/hr
25	South West	Kisembo David	Kafuuro 1A village, Kirugu Parish, Kirugu s/cty, Rubirizi District	1,000 – 1,200 kg/hr
26	South West	Kabagambe James	Munyonyi village, Munyonyi Parish, Katanda Sub/cty, Rubirizi District	600 – 800 kg/hr
27	South West	Kajura Francis	Nyungu cell, Rukiri Parish, Bihanga Sub/cty, Buhweju District	600 – 800 kg/hr
28	South West	Enengo Coffee Farmers' Cooperative Farmer Group	Buninya village, Ruhandagazi Parish, Kambuga Town Council, Kanungu District	600– 800 kg /hr
29	South West	Banyakinkizi Coffee Producers and Processors Coop. Society	Nyakibungo Parish, Kihanda Sub/cty, Kanungu District	600 – 800 kg/hr
30	South West	Mugisha Ampeire	Bwerengye cell, Kijanga Parish, Kirima s/cty, Kanungu District	600- 800 KG/HR
31	South West	Nyamwegabira Catholic Parish	Nyamwegabira, Nyakatunguru Parish, Kihhi Town Council, Kanungu District	1,000 – 1,200 kg /hr
32	South West	Bahinyuza Testus	Bikokora village, Nteko Parish, Nyabwishenyi Sub/cty, Kisoro District	600 – 800 kg/hr
33	South West	Ngarama Gerald	Rubanje village, Chahafi Town Council, Kisoro Municipality, Kisoro District	600 – 800 kg/hr
34	South West	Winnie Bavuga	Kagera Parish, Nyakabande Sub/cty, Kisoro District	600 – 800 kg/hr
35	South West	Mountain Harvest Ltd	Nyakabande village, Nyakabande Subcounty, Kisoro District	600 – 800 kg/hr



UCDA convened coffee value chain actors at Protea Hotel to develop proposals for value addition in the Ugandan coffee sub sector from farm to cup.



Hon. Rukia Nadama, Third Prime Minister, Hon. Fred Bwino Kyakulaga, Minister of State for Agriculture and other delegates on a guided tour of the UCDA exhibition house.



The agriculture and value addition panel discussion during the business summit. UCDA was represented by the MD Dr. Emmanuel Iyamulemye Niyibigira



The judges cupped coffee samples using the Coffee Quality Institute Fine Robusta Score Sheet and Protocols to identify the best coffees.



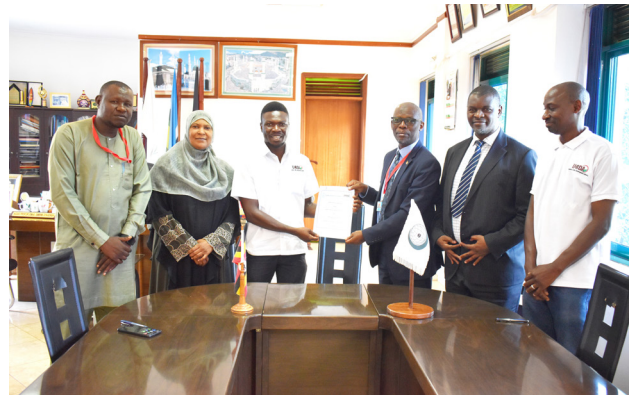
Dr. Emmanuel Iyamulemye hands over a pack of Uganda Coffee to Government Chief Whip, Hon. Hamson Obua.



Tony Mugoya, Executive Director UCFA explains to the team how MARKUP has supported UCFA to increase coffee production at the newly constructed coffee factory in Mityana.



UCDA supported local chocolate makers to exhibit at the Business Forum



The IUIU vice-rector in charge of academics, Dr. Jamil Serwanga, the academic registrar Dr. Halima Wakabi Akbar, and the university secretary Mr Sewankambo Hamza with Nasaon Bisathu, QAO, UCDA, after signing the MOU.



Brenda Mangeni, UCDA Promotions Officer explains the results of the cupping session. Next to Mangeni is H. E. Nusura Tiperu Omar, Uganda's ambassador to Turkey who organised the cupping in conjunction with UCDA.



The benchmarking team poses for a photo with UCDA staff after visiting the coffee laboratory at Lugogo



Dr. Emmanuel Iyamulemye is joined by fellow panelists Peter Kileme, PS for Cooperatives and MSME – Kenya, Juan Esteban Ordaz, Chair of World Coffee Producers Forum, Fred Kawauma former IACO SG and Claude Bizimana, CEO National Agricultural Export Development Board to discuss how to support coffee farmers to increase profitability at AFCA2023



Dr. Emmanuel Iyamulemye, MD of UCDA conducting the EU officials around the UCDA premises at Lugogo. Left to right are Sofian Dahmani, Caroline Adriaensen, Myriam Ferran and Jan Sadek,



The State Minister for Agriculture, Fred Bwino Kyakulaga (Right) is joined by UCDA MD, Dr. Emmanuel Iyamulemye (centre) to hand over .espresso machines and coffee grinders to Government MDAs and Universities



Stakeholders pose for a group photo after the breakfast meeting.



Left to right: Hon. Ssekitooleko, Hon. Sendaula, Hon. Babalanda, Hon. Lugolobi and Prof. Suruma



UCDA is installing wet mills in Arabica coffee growing regions to improve quality and increase volumes of specialty coffee.



UCDA staff used the Harvest Money Expo to sensitise the public about the coffee/ cocoa value chains and promote domestic coffee consumption.

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THE REPUBLIC OF UGANDA

OFFICE OF
THE AUDITOR GENERAL
APOLLO KAGWA ROAD,
PLOT 2C,
P.O. Box 7083,
KAMPALA.

FOR ANY CORRESPONDENCE ON
THIS MATTER PLEASE QUOTE NO: **DCG.47/349/01/23**

12th December, 2023

The Accounting Officer
Uganda Coffee Development Authority
Kampala



**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS OF
UGANDA COFFEE DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30TH JUNE,
2023**

I am enclosing herewith a report which I have already sent to the Rt. Hon. Speaker of Parliament in accordance with Article 163 (4) of the Constitution of the Republic of Uganda, 1995, as amended.

John F. S. Muwanga
AUDITOR GENERAL

Copy to: The Inspector General of Government, Kampala
 " The Hon. Minister of Ethics and Integrity, Kampala
 " The Permanent Secretary/Secretary to the Treasury
 Ministry of Finance, Planning and Economic Development

VISION: "A Model Supreme Audit Institution that adds Value to Society."

MISSION: "To provide our stakeholders with independent audit results that promote good governance for better service delivery."



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF UGANDA COFFEE
DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED 30TH JUNE 2023

OFFICE OF THE AUDITOR GENERAL
UGANDA

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF UGANDA COFFEE
DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED 30TH JUNE, 2023

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of the Uganda Coffee Development Authority (UCDA), which comprise the Statement of Financial Position as at 30th June 2023, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows, together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements of the Uganda Coffee Development Authority for the financial year ended 30th June 2023 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015 (PFMA) and the Financial Reporting Guide, 2018 (as amended).

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the UCDA in accordance with the Constitution of the Republic of Uganda 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (Parts A and B), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters communicated in my report.

1.0 Implementation of the approved budget

Paragraph 2 of schedule 5 of the PFMA 2015 requires Accounting Officers to prepare an Appropriation Account showing the services for which the moneys expended were voted, the sums actually expended on each service, and the state of each vote compared with the amount appropriated for that vote by Parliament.

Entities prepare budgets every year which provide expected revenue and expenditure for the year. The budgets are supported by work plans that show what

are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with Section 19 (1) of the National Audit Act (NAA), 2008, I report to you, based on my work described on the audit of Financial Statements, that the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

In accordance with Section 19 of the NAA 2008, I have a responsibility to report material findings on the compliance of the UCDA with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

There were no material non-compliance findings that came to my notice during the audit.



John F. S. Muwanga
AUDITOR GENERAL
Kampala

12th December, 2023

Government of the Republic of Uganda
(Uganda Coffee Development Authority)

Statement of Financial Performance for the Financial Year Ended 30 June 2023

[Based on classification of expenditures by nature]

	Notes	Actual 30 June 2023 (Shs)	Actual 30 June 2022 (Shs)
REVENUE			
Revenue from Non-Exchange transactions			
Taxes	2		
External Assistance	3		
Transfers received from Treasury- UCF	4	37,784,197,848	76,346,597,966
Transfers received from the Contingencies Fund	5		
Transfers received from other Government Units	6		
Non-Tax revenue- Non-Exchange	7	63,981,372,982	31,198,989,373
Revenue from Exchange Transactions			
Non-Tax Revenue- Exchange	8	1,161,701,114	1,287,512,840
Total Revenue		102,927,271,944	108,833,100,179
EXPENSES			
Compensation of employees	9	17,245,826,302	13,167,180,848
Goods and services consumed	10	53,425,307,078	59,578,351,829
Depreciation expense	11	306,715,134	2,063,913,042
Impairment of property, plant, and equipment	12		
Subsidies	13		
Grants and other transfers	14	720,415,577	1,280,921,561
Social benefits	15		
Finance costs	16	62,409,549	-
Bad debts expense	17	448,901,492	-
Other expenses	18	112,969,688	112,254,575
Total Expenses		72,322,544,820	76,202,621,855
Foreign Exchange gains/loss	19	9,159,966	
Transfers to Treasury	20	61,202,452,529	31,643,500,688
Gain/ loss on asset revaluation	31		
Surplus/ Deficit for the year		(30,606,885,371)	986,977,636

Doreen Rose Rweihangwe

Doreen Rose Rweihangwe

For. Accounting Officer [Names and Signature]

Government of the Republic of Uganda
(Uganda Coffee Development Authority)

Statement of Financial Position as at 30 June 2023

	Notes	30 June 2023 (Shs)	30 June 2022 (Shs)
ASSETS			
Current Assets			
Cash and Cash equivalents	21	180,299,390	70,793,603
Receivables	22(c)	11,517,818,498	11,329,633,870
Inventories	23		
Non-current Assets			
Receivables	22(d)		
Investments	24		
Property, Plant and Equipment	25	2,776,840,316	-
Non-Produced Assets	26		
Investment property	25		
Intangible assets	25		
Total Assets		14,474,958,204	11,400,427,473
LIABILITIES			
Current Liabilities			
Payables	27(a)	49,669,462,245	15,966,012,827
Deposits	28		
Short-term borrowings	29(a)		
Pensions	30(a)		
Non-current liabilities			
Payables	27(b)		
Long-term borrowings	29(b)		
Pensions	30(b)		
Total liabilities		49,669,462,245	15,966,012,827
Net Assets		(35,194,504,041)	(4,565,585,354)
REPRESENTED BY			
Reserves		(35,194,504,041)	(4,565,585,354)

Statement of Changes in Net Assets/Equity for the Financial Year ended 30 June 2023

	Notes	30 June 2023 (Shs)	30 June 2022 (Shs)
At 1 July - net assets last financial year (B/I)		(4,565,585,354)	(4,841,980,678)
Less: Transfers to the UCF account	31	(19,457,275)	(241,255,898)
+/- Balance sheet adjustments	31	(2,576,041)	(469,326,414)
Revaluation reserves	31		
Add: Surplus/(deficit) for the year		(30,606,885,371)	986,977,636
Closing net assets/ Net worth		(35,194,504,041)	(4,565,585,354)

Doreen Rose Rweihangwe

For. Accounting Officer [Names and Signature]

Government of the Republic of Uganda
(Uganda Coffee Development Authority)

Cash flow Statement for the Financial Year ended 30 June 2023 [Direct Method]

	Notes	30 June 2023 (Shs)	30 June 2022 (Shs)
CASH FLOWS FROM OPERATING ACTIVITIES		44,609,431,628	89,371,381,480
<i>Revenue from operating activities (see below)</i>			
Payments			
Compensation of employees		17,245,826,302	13,167,180,848
Goods and services consumed		16,724,102,311	48,999,521,152
Grants and Other Transfers		720,415,577	1,280,921,561
Social benefits			
Finance costs		(62,409,549)	-
Other expenses		112,969,688	112,254,575
Foreign Exchange loss/gain		9,159,966	
Advances paid		2,072,835,761	201,551,168
Domestic arrears paid out during the year		2,997,755,350	16,171,217,300
Deposits paid out during the year			
Pension arrears paid during the year			
Losses of cash			
Letters of credit receivable		1,573,853,205	5,118,941,493
Net cash inflows/(outflows) from operating activities		3,090,103,920	4,319,793,383
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		3,083,555,451	2,063,913,042
Purchase of Non- Produced Assets			
Purchase of investments			
Proceeds from sale of property, plant and equipment			
Proceeds from the sale of Non-Produced Assets			
Proceeds from sale of investments			
Net cash inflows/(outflows) from investing activities		6,548,469	2,555,880,341
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance Costs			
Proceeds from external borrowings			
Repayments of external borrowings			
Proceeds from other domestic borrowings			
Repayments of other domestic borrowings			
Net cash flows from financing activities			
Net increase (decrease) in cash and cash equivalents		6,548,469	2,555,880,341

Doreen Rose Rweihangwe

For: Accounting Officer [Names and Signature]

Doreen Rose Rweihangwe

Government of the Republic of Uganda (Uganda Coffee Development Authority)

Cash flow Statement for the year ended (continued)

For cash flow purposes receipts from revenue comprise

	Notes	30 June 2023 Shs.	30 June 2022 Shs.
Total Revenue as per Statement of Financial Performance		102,927,271,944	108,833,100,179
Add : Advances recovered during the year		6,806,358,366	14,981,239,230
: Revenue receivable collected during the period		3,335,092,771	2,266,081,102
: Deposits received			
Total Revenue		113,068,723,081	126,080,420,512
Less: Grants received in Kind			
Revenue in Kind (Tax waivers)			
Transfers to Treasury	30	61,202,452,529	31,643,500,688
Revenue Receivable for the reporting period		7,256,838,924	5,065,538,344
Total revenue received for Cash flow statement purposes		44,609,431,628	89,371,381,480

Reconciliation of movement of cash during the year

	Notes	30 June 2023 (Shs)	30 June 2022 (Shs)
Cash and cash equivalents at the beginning of the year		70,793,603	7,478,242
Less: Transfers to the UCF account (Previous Year Balances)	31	(19,457,276)	(241,255,898)
Add/ (Less) : Adjustments in cash and cash equivalents	31	122,414,594	(1,951,309,082)
Net increase (decrease) of cash from the <u>Cash flow Statement</u>		6,548,469	2,255,880,341
Cash and cash equivalents at the end of the year		180,299,390	70,793,603

For purposes of the cash flow statement, cash and cash equivalents comprise

	Notes	30 June 2023 (Shs)	30 June 2022 (Shs)
Cash and cash equivalents	20	180,299,390	70,793,603
Cash and bank balances		180,299,390	70,793,603

Doreen Rose Rweihangwe

For. Accounting Officer [Names and Signature]

Government of the Republic of Uganda
(Uganda Coffee Development Authority)

Statement of Appropriation for the Financial Year ended 30 June 2023
[Based on the Classification of Expenses by Nature]

	Initial Budget (Shs) (a)	Adjustments (Shs) (b)	Revised Budget (Shs) (c)=(a)+(b)	Actual Performance (Shs) (d)	Variance: (c)=(d)-(d)	Variance Percentage [(c)/(c)]
Revenue						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	64,939,832,475	-	64,939,832,475	37,784,197,848	27,155,634,627	42%
Transfers received from the Contingencies Fund	-	-	-	-	-	-
Transfers received from other Government Units	-	-	-	-	-	-
NTR from non-exchange transactions	-	-	-	63,981,372,982	(63,981,372,982)	-
NTR from exchange transactions	-	-	-	1,161,701,114	(1,161,701,114)	-
Total Revenue	64,939,832,475		64,939,832,475	102,927,271,944	(37,987,439,469)	(58%)
Expenditure by Nature						
Compensation of employees	18,793,938,246		18,793,938,246	17,245,826,302	1,548,111,944	8%
Goods and services consumed	40,795,882,422		40,795,882,422	16,631,713,689	24,164,168,733	59%
Grants and other transfers	1,258,894,266		1,258,894,266	720,415,577	538,478,689	43%
Social benefits	-		-	-	-	-
Finance costs	513,024,389		513,024,389	487,984,999	25,039,390	4%
Other expenses	203,890,000		203,890,000	112,969,688	90,920,312	45%
Purchase of Property Plant and Equipment	3,374,203,152		3,374,203,152	2,576,127,627	798,075,525	23%
Purchase of Non Produced Assets						
Domestic arrears paid						
Total expenditure	64,939,832,475		64,939,832,475	37,775,037,882	27,164,794,593	42%
Foreign Exchange gains/loss	-		-	9,159,966	(9,159,966)	
Grand Total	64,939,832,475		64,939,832,475	37,784,197,848	27,155,634,627	
Transfers to Treasury				61,202,452,529	(61,202,452,529)	-
Net Expenditure				3,940,621,567	(3,940,621,567)	-

Statement of Appropriation for the Financial Year ended 30 June 2023
[Based on the Classification of Expenses by Programmes]

	Initial Budget (a) (Shs)	Adjustments (b) (Shs)	Revised Budget (c)=(a)+(b) (Shs)	Actual Performance (d) (Shs)	Variance: (e)=(c)-(d)	Variance Percentage [(e)/(c)]
Revenue						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	64,939,832,475		64,939,832,475	37,784,197,848	27,155,634,627	42%
Transfers received from the Contingencies Fund						
Transfers received from other Government Units						
NTR from non-exchange transactions						
NTR from exchange transactions				63,981,372,982	(63,981,372,982)	-
Total Revenue	64,939,832,475		64,939,832,475	1,161,701,114	(1,161,701,114)	-
Expenditure by Programmes				102,927,271,944	(37,987,439,469)	(58%)
AGRO-Industrialization	64,939,832,475		64,939,832,475	37,775,037,882	27,164,794,593	42%
Total expenditure	64,939,832,475		64,939,832,475	37,775,037,882	27,164,794,593	42%
Foreign Exchange gains/loss				9,159,966	(9,159,966)	
Grand Total	64,939,832,475		64,939,832,475	37,784,197,848	27,155,634,627	
Transfers to Treasury				61,202,452,529	(61,202,452,529)	-
Net Expenditure				3,940,621,567	(3,940,621,567)	-

**GOVERNMENT OF UGANDA
(Uganda Coffee Development Authority)**

Statement of Appropriation for the Financial Year ended 30 June 2023
[Based on the Services Voted]

	Initial Budget (Shs) (a)	Adjustments (Shs) (b)	Revised Budget (Shs) (c)=(a)+(b)	Actual Performance (Shs) (d)	Variance: (e)=(c)-(d)	Variance Percentage [(e)/(c)]
REVENUE						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	64,939,832,475		64,939,832,475	37,784,197,848	27,155,634,627	42%
Transfers received from the Contingencies Fund						-
Transfers received from other Government Units						-
NTR from non-exchange transactions				63,981,372,982	(63,981,372,982)	-
NTR from exchange transactions				1,161,701,114	(1,161,701,114)	-
Total Revenue	64,939,832,475		64,939,832,475	102,927,271,944	(37,987,439,469)	(58%)
Expenditure by Services Voted						
Corporate services	23,717,185,029		23,717,185,029	18,769,653,789	5,054,886,982	21%
Development	33,371,195,592		33,371,195,592	12,309,071,210	21,062,124,382	63%
Quality Regulatory Services	5,217,115,852		5,217,115,852	4,488,798,571	728,317,281	14%
Strategy and Business Development	2,634,336,002		2,634,336,002	2,207,514,312	426,821,690	16%
Total expenditure	64,939,832,475		64,939,832,475	37,775,037,882	27,164,794,593	42%
Foreign Exchange gains/loss	-			9,159,966	(9,159,966)	
Grand Total	64,939,832,475		64,939,832,475	37,784,197,848	27,155,634,627	
Transfers to Treasury				61,202,452,529	(61,202,452,529)	-
Net Expenditure				3,940,621,567	(3,940,621,567)	-

Government of the Republic of Uganda
(Uganda Coffee Development Authority)

Table (i) explaining material variances in the Statement of Appropriation

Note	Expenditure Item/ Service/ Programme	Variance Percentage	Explanation
a)	Nature	58%	Failure by MoFPED to release all the approved budget affected the execution of the programmed activities
b	Programmes	58%	Failure by MoFPED to release all the approved budget affected the execution of the programmed activities
c)	Services	58%	Failure by MoFPED to release all the approved budget affected the execution of the programmed activities

Reconciliation between total expenditure per Appropriation Accounts and per Statement of Financial Performance

	Actual 30 June 2023 (Shs)	Actual 30 June 2022 (Shs)
Total expenditure per Appropriation Account	37,667,682,140	76,342,749,459
Add:		
Letters of credit receivable prior year but delivered during the year	5,114,245,792	11,830,579,912
Accrued expenditure	36,701,204,767	10,578,830,677
Prepayments performed	201,551,168	
Depreciation and impairment expenses	306,715,134	
Provision for bad & doubtful debt	448,901,492	-
Bank charges incurred on Eco bank account	24,558,408	
Residential Buildings-Stock	107,355,742	
Less:		
Letters of credit receivable at year-end	1,573,853,205	5,118,941,493
Domestic Arrears paid	2,997,755,350	16,171,217,300
Non-produced assets for the period		
Purchase of PPE	3,083,555,451	
Prepayments for the period	594,505,818	201,551,168
Funding for the car loan scheme-recognized		1,057,828,233
Total Expenditure per Statement of Financial Performance	72,322,544,820	76,202,621,855

Doreen Rose Rweihangwe

.....*D.R. Rweihangwe*.....
For. Accounting Officer [Names and Signature]



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Uganda Coffee Development Authority

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