Uganda Coffee Development Authority

Uganda Coffee Develpment Authority

ANNUAL REPORT

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FOREWORD

30, 2002 was characterised by low prices on the international market, which were reflected in a drop in earnings from coffee. A total of 3.15 million bags worth US $ 84 million were shipped, representing an improvement of 2.3% in volume and a reduction of 20% in value compared to last year.

Farm-gate prices averaged Shs. 250 and Shs 520, down from Shs. 270 and Shs. 700 per Kilo of Kiboko and FAQ, respectively in 2000/01. This led to a 3% reduction in farmers' earnings as a proportion of export price from 70%. Despite the fall in prices, farmers paid attention to their crop at the farm and post harvest levels to ensure good quality coffee.

In line with ICO Resolution No. 407, the Board initiated a number of programmes on quality improvement, which included, among others, re-introduction of washed robusta. Under the government's Strategic Intervention programme, 16 wet processing equipment were obtained and allocated to farmers.

The replanting programme remained on course and 25.6 million seedlings were planted using the Poverty Alleviation Fund. Focus was on formation of coffee villages and nucleated coffee plantations with out-grower schemes to ease provision of extension services to farmers.

The baseline survey on coffee wilt infestation conducted during the year gave startling results, where 44.5% of the old robusta coffee trees is estimated to have succumbed to the disease. However, the incidence of CWD varies from district to district.

Value addition and promotion programmes centred on operationalisation of the Uganda-China joint venture in March 2003, finalising a joint venture with an Egyptian company (TESCO UNION), formation of a Uganda Coffee Roasters' Association (UCRA) and intensification of generic promotion in international and regional trade fora. UCDA in conjunction with UCRA have started on a rigorous programme to promote domestic coffee consumption through training hoteliers and restaurant operators in coffee brewing.

In view of the above, I wish to express my gratitude and that of the entire Board to government for identifying coffee as one of the strategic export crops. The intervention received during the year has gone a long way in actualising our vision for the industry.

Finally, I thank the Minister for Agriculture, Animal Industry & Fisheries, Hon. Dr. Wilberforce Kisamba-Mugerwa and the Ministers of State; for the policy guidance in the implementation of the Plan for Modernisation of Agriculture in the coffee industry. In the same breath, I thank my colleagues, the Board members, UCDA management and Staff, for the invaluable services rendered to the industry during the year.

Lastly, this Annual Report has useful information on coffee, which I urge you to read. We welcome comments and suggestions on how to improve future presentations. Thank you.

Paul Sempa-Mugambwa
CHAIRMAN, UCDA BOARD OF DIRECTORS

	-	offee Producing Countries
	-	pportunity Act
ASAC	-	Agricultural Structural Adjustment Credit
BCU	-	Bugisu Co-operative Union
CABI	-	Centre for Agriculture & Bioscience International
CBD	-	Coffee Berry Disease
CBS	-	Central Broadcasting Service
CFC	-	Common Fund for Commodities
CORI	-	Coffee Research Institute
CWD	-	Coffee Wilt Disease
DCC	-	District Coffee Co-ordinator
DFI	-	District Farm Institute
EAFCA	-	East African Fine Coffees
EPOPA	-	Export Promotion of Organic Products from Africa
EU	-	European Union
FAQ	-	Fairly Average Quality
GAPs	-	Good Agricultural; Practices
GHPs	-	Good Hygienic Practices
GMPs	-	Good Manufacturing Practices
HACCPs	-	Hazard Analysis and Critical Control Points
IC	-	Implementation Committee
ICA	-	International Coffee Agreement
ICC	-	International Coffee Council
ICO	-	International Coffee Organization
IMI	-	International Mycological Institute
MAAIF	-	Ministry of Agriculture, Animal Industry & Fisheries
NARO	-	National Agriculture Research Organization
NSSF	-	National Social Security Fund
NTAE	-	Non-Traditional Agricultural Exports
PAF	-	Poverty Alleviation Fund
PEAP	-	Poverty Eradication Action Plan
RBS	-	Retirement Benefit Scheme
SIDA	-	Swedish International Development Agency
UCDA	-	Uganda Coffee Development Authority
UCFA	-	Uganda Coffee Farmers Association
UCTF	-	Uganda Coffee Trade Federation
UMA	-	Uganda Manufacturers Association
UNEX	-	Union Export Services
USAID	-	United States Agency for International Development
WRS	-	Warehouse Receipt System
WTO	-	World Trade Organization

MARKETING

1. There was an improvement of 2.3 percent in the quantity of coffee exported during the coffee year ended September 30, 2002 compared to 2000/01. A total of 3.15 million 60-kilo bags worth $ 84.0 million were shipped, representing a decline in value of 20% over last year.
2. There was an increase of 3.8% in the quantity of Robusta coffee exported, from 2.62 million bags in 2000/01 to 2.72 million bags.
3. Organic arabica exports rose by almost 290% from 1,065 bags last year to 4,180 bags; and the realised unit price went up by 6 cents from 96 cts/kilo to 102 cts.
4. Organic Robusta coffee exports stood at 1,440 bags down from 5,020 bags in the previous year and the unit price was 57 cts/kilo compared to 77 cts in 2000/01. The decline in quantity was due to limited market opportunities.
5. Farm-gate prices averaged Shs. 250 per kilo of Kiboko and Shs. 520 for FAQ, which were Shs. 20 and Shs. 180 below the average of last coffee season, respectively.
6. Farmers' earnings as a proportion of FOR/T export price Kampala fell from 70 percent last year to 67 percent largely due to the general negative price trend on the world market.
7. At the export level, the weighted average price stood at US 44 cents per kilo, down from 57 cents, representing a drop of 22.8%. The average prices for Arabica and Robusta were 75 cents and 40 cents, which were 16 and 11 cents lower than last year.
8. The number of registered exporters was 33 but only 29 performed and of these, 10 had a market share of over 80 percent, where Ugacof Ltd. topping the list with 15.5 percent.
9. The European Union continued to be the major destination of Uganda coffee accounting for 86.4 percent. In Africa, the Sudan has continued to be a significant destination for Uganda coffee, with an uptake of around 5.0 percent of the total exports.
10. 13 overseas buyers purchased over 72% of Uganda's coffee and Sucafina was the top buyer; accounting for 18.0%, followed by Drucafe. There was, however, a decline in the cumulative market share held by the 13 buying firms from 81.1% to 72.0% compared to the previous year.
11. Domestic coffee consumption has exhibited some growth with the mushrooming of coffee shops and Internet Cafes in and around the City and major towns.
12. A baseline coffee consumption survey to estimate domestic demand in relation to the supply capacity of local roasters is scheduled to take place in the coming coffee year.

nda Coffee Roasters' Association (UCRA) with 12 ovides UCRA Secretariat with office accommodation Road. UCRA was also given a permanent stand at xhibit their coffee products.

14. Uganda went into a joint venture with Beijing North Star Corporation (BNSC), a Chinese company, to promote the consumption of Uganda coffee in China. The joint company (Beijing Chenao Coffee Co. Ltd.), operates a roasting facility and two coffee shops in Beijing.

15. Promotion of Uganda coffee in the Arab World is underway through a joint venture with an Egyptian company, TESCO UNION.

DEVELOPMENT

16. The performance of the nursery programme per coffee zone is as shown in table1.0 below. The production of seedlings reached 30 million, supplied by 1,488 nursery operators in 49 coffee districts.

TABLE 1.0 PRODUCTIVITY OF COFFEE NURSERIES IN THE 5 COFFEE ZONES

Coffee Zone	Number of Districts	Number of Operators	Average Annual Plantlets Production
1. Central	13	563	2,331,733
2. Western	7	264	6,050,000
3. S/Western	8	209	7,682,000
4. Eastern	11	229	6,586,430
5. Mid & Northern	10	223	7,475,700
Total	49	**1,488**	**30,125,863**

17. To offset the effect of CWD, the need for low land arabica varieties has become apparent. In this regard, some nursery operators have embarked on multiplication of the *catimor* arabica variety.

18. The replanting programme to replace the old and wilt infected coffee trees received a boost from the Poverty Alleviation Fund (PAF). A total of 26.5 million coffee plantlets, comprising 21.2 million robusta and 5.3 million arabica were purchased and distributed to the needy peasant farmers.

19. The replanting pattern followed the concepts of nucleus coffee villages and out-grower schemes to create an impact and also to ease provision of extension services and marketing. Taking advantage of this, UCFA, in collaboration with UCDA and District Authorities embarked on training farmers on value addition through wet coffee processing.

20. A Multi-Sectoral Team comprising scientists from UCDA, MAAIF and CORI, co-ordinated by CABI undertook a Biological and Socio-economic Survey to:

- Establish the economic loss and impact of Coffee Wilt Disease (CWD) at both national and household levels;

ping strategies farmers have employed to generate
l

ting rate that would offset the anticipated loss from the CWD to sustain a positive trend in coffee production.

The results from the survey revealed that the impact of CWD varies from district to district but overall, 42% of the old Robusta coffee trees have succumbed to the disease. At an average export price of US$ 600 per tonne/ha this loss translates to around US$ 36 million, with social economic consequences.

21. Common pests and diseases include Coffee *Berry Borer* (CBB), *Root Mealy Bugs* and *Coffee Berry Disease* (CBD). With good husbandry and light applications of pesticides, however, the effects of these could be reduced to a minimum.

22. UCDA has 33 District Coffee Co-ordinators (DCCs) to oversee the coffee activities in their respective districts who are directly supervised by the District Agricultural Officers. Their roles include, among others, carrying out surveillance on the severity of CWD and monitoring the performance of coffee programmes. To improve on the service delivery, 25 new Honda XL motorcycles were procured and distributed to the DCCs.

23. A survey on costs of coffee production at farm was conducted during the year to establish the costs and returns to coffee business at these levels. The average cost of production of clonal Robusta per hectare was estimated at Shs. 700,000/=, old Robusta coffee at Shs. 280,000/= per hectare and Arabica coffee at Shs 560,000/= as compared to Shs. 610,000, Shs. 230,000/- and Shs. 510,000, respectively the previous year. Gross incomes per hectare were: Shs 1.1 m, Shs. 0.31 m and Shs. 0.693 m, respectively.

QUALITY AND REGULATORY

24. Routine field visits were undertaken to give technical advice to the sector players on GAPs, GHPs and GMPs for the production and maintenance of good quality coffee.

25. Field quality evaluation based on the out-turn and screen size distribution parameters, indicated an improvement in yield over last year. This was attributed to the newly planted areas that continue to come into production.

26. A total of 310 sector participants were registered during the year, these include Exporters - 33, Export grading – 28, Processors - 215, Buying stores - 28, and Roasters - 6.

27. A total of 48,097 bags did not meet the export standards and were referred for reprocessing to the required standards before export. There was a marked decrease in the number of bags referred from the previous year, due to quality awareness programmes.

28. The cup taste for all the exported coffee was generally clean and as expected the cup for washed coffees was superior over the naturals. The major defects were: Earthiness (35%), Over fermentation (29%) and Taints (28%), which are derivatives of poor

Intervention of government, procured 16 wet-
alense, Brazil, to improve quality.

30. Thirty-four (34) participants, 22 from the industry and 12 from tertiary institutions, were trained in basic quality control systems. Additionally, the beneficiaries of the six large wet processing mills were trained in Basic Quality control before proceeding for their study tour in Brazil, which was facilitated by the manufacturers of the equipment.

31. Under the improvement of coffee quality through prevention of mould growth project funded by FAO, research into the organisms responsible for prevalence of OTA was undertaken. Three types of fungi namely, *Asperigillus carbonarius*, Aspergil*l*us *Ocraceous* and *Aspergillus niger* were identified. Experiments on optimal dry techniques for small, medium and large farmers were conducted.

COFFEE RESEARCH

32. Coffee Wilt Disease (CWD) continues to be a major concern to the coffee industry in Uganda, and therefore constituting the main focus of coffee research.

33. Tremendous progress has been made in several aspects of CWD research particularly in the quantification of losses at farm and national level; breeding for resistance to the disease; multiplication of resistant materials for on-farm trials and the multiplication of the current commercial lines for the replanting programme.

34. Considerable progress has also been made in the elucidation of the mechanisms of the spread of the disease, and into the development of the methodologies necessary for fully understanding the nature of the disease. Further, attempts are being made by scientists at the Coffee Research Institute (CORI) to provide a framework for the diversification of coffee growing into the non-traditional coffee areas of Northern, Eastern and Southern Uganda.

ADMINISTRATION AND MANAGEMENT

35. The UCDA Board and management had a retreat at Uganda Martyrs University (UMU), Nkozi from April 25 to April 28, 2002. The theme of the retreat was *"Corporate Governance: Developing the coffee sub-sector, for Poverty Alleviation."*

36. The 3rd prime Minister and Minister for Foreign Affairs Hon. James Wapakhabulo presided over the launching of the joint venture company, Beijing Chenao Coffee company Ltd., (BCCCL), which took place at the Beijing Convention Centre on April 03, 2002.

37. UCDA initiated the re-introduction of wet coffee processing in Uganda as one of the means to solve the problem of Uganda's deteriorating coffee quality.

38. Through the government intervention programme in the SEP provided funds for the purchase 16 units of equipment: 3 large with a capacity 3.5 tonnes of fresh cherry per hour and 10 small with capacity of 1.0 tonne.

CHAPTER ONE

COFFEE SUBSECTOR POLICIES

1.0 INTRODUCTION

The Presidential Conference on Strategic Exports held in February 2002, which brought together all stakeholders: government, the private sector, NGOs and the donor community, identified coffee as an important crop in the poverty reduction crusade through improvement of household incomes. Consequently, the UCDA Board designed programmes to address the objectives of the conference. These include improving productivity, containment of coffee wilt disease; improving the coffee quality, value addition and generic promotion of domestic consumption. Successful implementation of these programmes would reposition Uganda coffee on the international arena competitively.

1.1 PRODUCTIVITY

This is addressed through the replanting programme where old coffee trees and those affected by the coffee wilt disease are replaced by the improved high-yielding and early maturing clonal coffee cultivars without necessarily increasing the acreage under coffee. A total of 25.65 million seedlings, comprising 19.53 million of robusta trees and 6.12 million of arabica were planted during the year.

The concept of coffee village, where a farmer receives at least 200 seedlings, and the out-grower scheme, were evolved to enhance the replanting programme and also to create a critical mass of farmers necessary for an efficient and effective service delivery system. The coffee village and the out-grower schemes are expected to have greater impact on production because of the advantages listed below. They will:

(a) Ease provision of extension services to farmers and technology uptake;

(b) Improve coffee quality through wet processing using central pulpery;

(c) Ease marketing through pooling coffee together in economic quantities;

(d) Lead to contract farming; and

(e) Facilitate revival of Co-operative movement in Uganda

Under this arrangement, a total of 293 coffee villages, benefiting 35,000 farmers, were formed in 17 coffee growing districts, mainly in Central and South-western Uganda.

Farm Level Organisations (FLOs) of coffee farmers based on commonality of interests in coffee growing were also formed. It is through such organisation that farmers will handle issues that affect them.

1.2 COFFE NURSERY PROGRAMME

The policy on nursery development focuses on propagation of planting materials through clones – mother garden, Tissue culture, Lowland arabica and use of elite seed

n the case of robusta. Nursery operators in the lake
mother garden of at least 1,000 bushes to ensure availability of adequate clones.

Certification of nurseries and planting materials continued to be undertaken by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). Over 1000 coffee nurseries, with a potential production capacity of 80 million plantlets per annum were certified.

Distribution of clean planting materials to the rural poor is based on the following policy guidelines: -

- Nursery operators transport their coffee seedlings to the benefiting villages on a specific date where the UCDA Coffee Co-ordinator and the Sub-county Agriculture Officer receive the coffee. The whole exercise is supervised by the area Local Council who signs the accompanying documents to acknowledge receipt;
- Each district is allocated a certain amount of funds basing on the following parameters: intensity of wilt disease; availability of seedlings; farmersô technology uptake; and the districtôs importance of coffee production in that district; and
- Some seedlings are directly distributed to special interest groups such as women groups, the disabled, veterans, the youth groups, and cultural and religious organisations.

1.3 COFFEE WILT DISEASE

The policy on coffee wilt disease to:

- Contain the spread of the disease through sanitary and phytosanitary farm practices;
- Use clean planting materials and planting in new areas;
- Continue with research into resistant cultivars;
- Breeding lowland Arabica coffee.

A baseline survey to establish the extent of the disease on household incomes was conducted during the year. Results indicate an infection rate of 40%.

1.4 Quality Improvement Programmes

In keeping with the ICO resolution 407, the global Coffee Quality Improvement Programme (CQIP), the Board held a series of stakeholders' workshops/seminars at various levels within the supply chain to develop consensus on how quality issues should be handled. The following were collectively adopted: to withhold export of Triage, BHP 10.13 and Black Beans, which together account for around 3 percent (approx. 100,000 bags) of Uganda's total production and to explore alternative uses to which these by-products could be put, probably as domestic fuel – briquettes.

The ICO Resolution No. 407 taken by the Council in February 2002 establishes the CQIP, and outlines minimum standards for exportable coffee that will play an

g the quality of coffee on the world market and in balance in supply and demand, by eliminating low-quality coffee from the market; hence, improve the overall income to farmers. The standards require that exporting members shall not export coffee that is:

- In excess of 86 defects per sample of 300 g in the case of Arabica;
- In excess of 150 defects per sample of 300 g in the case of Robusta coffee; and
- For both Arabica and Robusta, has moisture content below 8 percent or in excess of 12.5 percent, measured using the ISO 6673 method.

This programme to which all producer and consuming countries have assented and which is due to start on October 01, 2002, is envisaged to reduce global supply by 10%.

Quality improvement through mould prevention

The long-term objective of the project is to develop a centre of excellence in the field of coffee quality assurance in Uganda that would a positive impact on the income of producers and protect consumers' health by decreasing the level of OTA in coffee. The expertise developed would serve as an important regional resource. Specific objectives include:

- To elaborate guidelines for the production, processing and handling of coffee in Uganda;
- To identify suitable technologies that can be effectively and sustainably applied by small-scale coffee farmers and processors; and
- To upgrade analytical laboratory capacity in support of the coffee quality control programme; and to prepare and disseminate training materials on good agricultural practices, good manufacturing practices and HACCP for the coffee sector.

1.5 Value Addition

Value addition was identified, as one of the ways through with the quality of coffee and earnings to farmers would be improved and it is being implemented at various levels within the supply chain, namely: -

- Production of high quality coffee products for the niche markets such as organic, shade grown and developing an appellation system to meet customer demands.
- In collaboration with the COMPETE (Competitive Enterprises and Trade Expansion) project and EAFCA (Eastern African Fine Coffees Association), an appellation system was introduced. The system reflects the unique and diverse 'cup' that can be produced under a variety of geographic conditions in the regions

obi and Kigezi. Work done so far includes mapping up characterisation and sensitisation of the affected farmers.

- Re-introduction of washed robusta coffee where government intervened through provision of 16 wet processing equipment to be used as central pulperies under nucleated farms.
- Establishment of Joint venture investments in China and Egypt. In the case of China, a roasting facility and two coffee shops serving Uganda coffee were opened up in Beijing city, and also Uganda coffee is served in 25 tourist hotels in the same municipality.
- Training of coffee roasters, hoteliers and restaurant operators in good roasting practices and brewing of a good coffee cup.
- Formation of the Uganda Coffee Roasters' Association (UCRA) to bring discipline in the roasting industry, thus promoting domestic coffee consumption.

1.6 Promotion

The policy is to develop Uganda coffee brands and promote it through Uganda missions, exhibitions and conferences. Strategic alliances are being built with high quality coffee roasters abroad and using their distribution channels to introduce Uganda brands to the market.

CHAPTER TWO

COFFEE MARKETING

2.0 GENERAL PERFORMANCE

There was an improvement of 2.3 percent in the quantity of coffee shipped during the coffee year ended September 30, 2002 compared to 2000/01. A total of 3.15 million 60-kilo bags worth $ 84.0 million were shipped, representing a decline in value of 20% over last year despite the rise in quantity.

The rise in volume was attributed to the good weather conditions, which supported the 'on-year' crop cycle in South-western Uganda. The dramatic fall in value was mainly due to: -

- Global production surpluses from major origins in Asia and Latin America;
- A rise in stocks in both consuming and exporting countries, which was estimated at around 50 million bags at the close of the year;
- Global consumption in the mass market remained relatively static in spite the drastic fall in prices.

Although the farm-gate prices were below the average cost of production most of the time, farmers remained optimistic and continued to replace the old coffee trees with the high-yielding clonal variety to increase productivity and cut down on production costs.

2.1 COFFEE PROCUREMENT

A total of 3.3 million bags of 60 kilos each, an equivalent of 198,000 metric tonnes, which is 1.0% higher than last year, was directly purchased from farmers. Of this, Arabica accounted for 414,767 bags (12.7%) of the total procurement; and Robusta accounted for 2.86 million bags. In spite of increased incidence of coffee wilt disease in key robusta districts; robusta coffee production has remained stable largely due to the ongoing replanting programme.

The proportion of arabica coffee over the past 5 years stabilised at an average of 13.3 percent, up from 10.0%. Table 2.1 below gives the Robusta/arabica procurement breakdown over the five-year period.

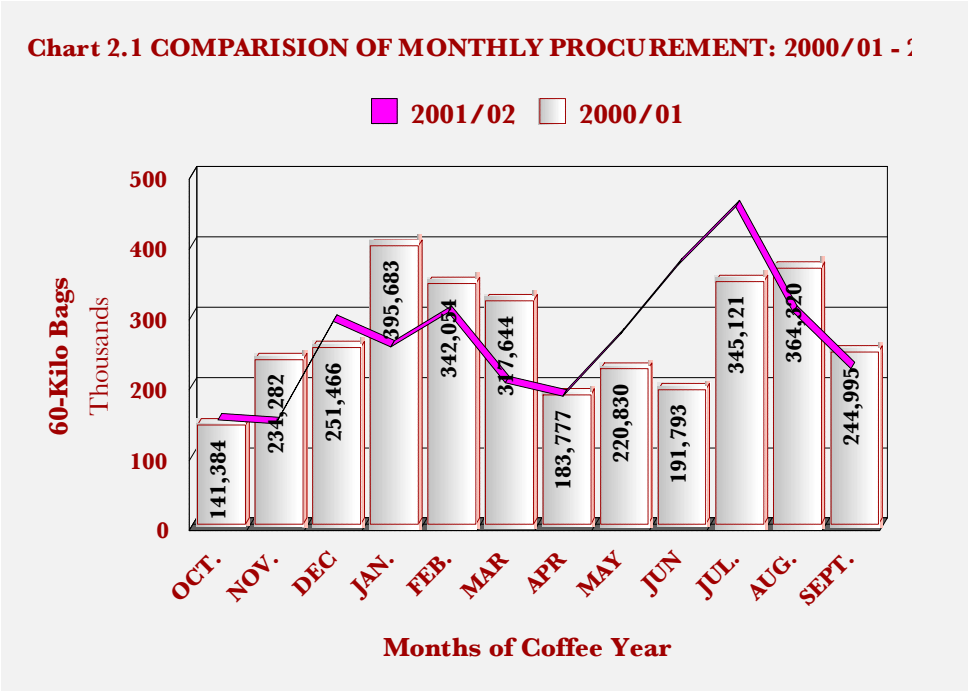
Table 2.1 COFFEE PROCUREMENT BY TYPE: 1996/97 - 2001/02 - 60-kilo bags.

COFFEE YEAR	COFFEE TYPE		TOTAL	%-Age Change Over the previous year
	Robusta	Arabica		
Average	**2,860,001**	**438,064**	**3,298,066**	
2001/02	2,849,686	414,767	3,264,453	1.0
2000/01	2,819,438	489,958	3,309,396	7.1
1999/00	2,518,135	499,981	3,018,116	(21.7)
1998/99	3,424,598	428,624	3,853,222	23.5
1997/98	2,755,159	366,029	3,121,188	-

ee production from 10% to 13% could be explained

- The deliberate government policy to increase the proportion of arabica coffee by introducing it in new highland areas in Arua, Kabale and Kisoro districts; besides replacing the old coffee trees in the traditional districts; and
- The relative good price for arabica compared to Robusta, which prompted farmers to release stocks in their possession.

Chart 2.1 and table 2.2 below give comparative monthly procurement figures for the years 2000/01 and 2001/02. Uganda has two harvesting peaks for the Central, Eastern and Northern Uganda; and the other for south and southwestern Uganda, respectively. A higher peak in procurement was realised in July, the harvesting period for the main crop in West and South-western Uganda as opposed to October/March, the traditional peak period in Central and Eastern Uganda.



COFFEE PROCUREMENT BY TYPE- 60-kilo Bags-

	2			2000/01		
	Robusta	**Arabica**	Total	**Robusta**	**Arabica**	Total
OCT.	131,114	26,169	157,283	119,165	22,219	141,384
NOV.	112,239	40,340	152,579	200,104	34,178	234,282
DEC.	250,703	47,334	298,037	215,410	36,056	251,466
JAN.	220,501	40,899	261,400	356,142	39,541	395,683
FEB.	250,332	60,003	310,335	266,312	75,742	342,054
MAR	150,334	60,051	210,385	251,323	66,321	317,644
APR.	156,132	35,079	191,211	132,541	51,236	183,777
MAY	251,958	27,002	278,960	152,363	68,467	220,830
JUN.	350,994	26,953	377,947	159,648	32,145	191,793
JUL.	445,113	15,571	460,684	319,237	25,884	345,121
AUG.	300,101	10,209	310,310	346,552	17,768	364,320
SEP	230,165	25,157	255,322	300,641	20,401	321,042
TOTAL	2,849,686	414,767	3,264,453	2,819,438	489,958	3,309,396

2.20 COFFEE EXPORT PERFORMANCE

Table 2.3 shows monthly coffee export performance during the year, in terms of volume and value, as compared to the previous year. A total of 3.15 million bags worth $ 84.0 million was exported, representing an increase of 2.3% in volume and a drop of 20% in value compared to last year. The highest volume of export of 428,452 bags was recorded in the month of July, in the second harvesting season which coincides with the main crop in West and South-western and the fly crop in Central and Eastern regions.

TABLE 2.3 COMPARATIVE COFFEE EXPORT PERFORMANCE - 60 KG BAGS & $

MONTHS	**2001/02**		**2000/01**		**%-age Change**	
	Qty	**Value**	**Qty**	**Value**	**Qty**	**Value**
OCT.	151,404	4,011,814	138,785	5,518,917	9.10	(27.30)
NOV.	150,120	4,125,346	227,519	8,421,409	(34.00)	(51.00)
DEC.	275,101	7,083,396	232,427	8,453,619	18.40	(16.20)
Qtr - 1	**576,625**	**15,220,556**	**598,731**	**22,393,945**	**(3.69)**	**(32.03)**
JAN.	313,732	7,995,316	340,863	12,521,947	(8.00)	(36.10)
FEB.	271,485	6,893,603	295,717	11,335,323	(8.20)	(39.20)
MAR	228,323	6,693,359	211,739	8,087,470	7.80	(17.20)
Qtr - 2	**813,540**	**21,582,278**	**848,319**	**31,944,740**	**(4.10)**	**(32.44)**
APR.	187,954	5,835,587	177,364	6,870,463	6.00	(15.10)
MAY	226,435	5,645,537	199,427	7,493,903	13.50	(24.70)
JUN	369,783	9,677,512	269,493	8,734,804	37.20	10.80
Qtr - 3	**784,172**	**21,158,636**	**646,284**	**23,099,170**	**21.34**	**(8.40)**
JUL.	428,452	11,559,320	336,122	10,121,315	27.50	14.20
AUG	293,102	7,592,777	354,316	9,632,712	(17.30)	(21.20)
SEP	250,490	6,823,385	291,001	7,593,539	(13.90)	(10.10)
Qtr - 4	**972,044**	**25,975,482**	**981,439**	**27,347,566**	**(0.96)**	**(5.02)**
TOTAL	**3,146,381**	**83,936,952**	**3,074,773**	**104,785,421**	**2.30**	**(19.90)**

2.21 COFFEE EXPORTS BY TYPE AND GRADE

Table 2.4 gives coffee exports by type, grade, value and the realised unit price in comparison to last year. Among the Robustas, the quantity of organic coffee exported

bags to 1,440 bags. Similarly, the quantity of washed from 2,095 bags to 880 bags. The fall in quantities exported could largely be explained by the continued fall in prices on the international market, which squeezed the premium such coffees fetch to compensate the extra effort needed in their production. The realised prices for the two grades also fell by 20 cts, and 25 cts per kilo of Organic and washed Robusta respectively. The challenge for organic robusta has been limited market opportunities while that of washed robusta were more of a supply constraint, which government has addressed through importation of 16 wet processing equipment.

Overall, there was an increase of 3.8% in the quantity of Robusta coffee exported, from 2.62 million bags in 2000/01 to 2.72 million bags. However, the unit value fell by 11 cts/kilo, which is 21.6% compared to last year's realised price.

Table 2.4 COFFEE EXPORTS BY TYPE, GRADE VALUE & UNIT PRICE:

- in 60-Kilo bags, US $ & $/Kilo -

Type /Grade	2001/02			2000/01		
	Qty	Value	Unit Price	Qty	Value	Unit Price
G/Total	**3,146,381**	**83,936,952**	**0.44**	**3,074,773**	**104,776,421**	**0.57**
Robusta	**2,715,955**	**64,496,820**	**0.40**	**2,617,777**	**79,914,361**	**0.51**
Organic	1,440	48,936	**0.57**	5,020	232,137	0.77
Washed	880	45,833	**0.87**	2,095	140,929	1.12
Sc. 1800	240,546	7,540,043	**0.52**	236,797	9,737,692	0.69
Sc. 1700	134,334	3,708,019	**0.46**	70,510	2,411,442	0.57
Sc. 1500	1,637,448	40,100,108	**0.41**	1,560,548	48,505,725	0.52
Sc. 1400	119,886	2,731,132	**0.38**	2,672	75,350	0.47
Sc. 1300	22,576	507,581	**0.37**	0	0	0.00
Sc. 1200	428,879	8,612,064	**0.33**	591,936	15,890,381	0.45
BHP 1199	72,214	565,461	**0.13**	52,277	848,554	0.27
BHP 1013	3,900	24,207	**0.10**			
Black Beans	12,560	126,707	**0.17**			
Rob-UG	22,257	321,625	**0.24**			
Others	19,035	165,104	**0.14**	95,922	2,072,151	0.36
Arabica	**430,426**	**19,440,132**	**0.75**	**456,996**	**24,862,060**	**0.91**
Organic	4,180	254,927	**1.02**	1,065	61,339	0.96
Bugisu AA	112,119	6,265,772	**0.93**	57,621	3,906,171	1.13
Bugisu A	43,573	2,177,057	**0.83**	27,769	1,772,776	1.06
Bugisu B	15,572	759,701	**0.81**	17,725	1,138,303	1.07
Bugisu PB	10,520	506,520	**0.80**	7,514	459,014	1.02
Arabica AB	16,390	952,282	**0.97**	14,915	1,018,302	1.14
Arabica-UG	6,895	185,768	**0.45**			
Wugar	61,020	2,786,273	**0.76**	70,758	3,763,572	0.89
Drugar	134,542	5,126,757	**0.64**	241,746	12,189,721	0.84
Triage	19,268	200,044	**0.17**			
Others	6,347	225,031	**0.59**	17,883	552,862	0.52

Organic arabica exports rose by almost 290% from 1,065 bags last year to 4,180 bags; and the realised unit price went up by 6 cents from 96 cts/kilo to 102 cts. The price for the traditional Bugisu AA fell from 113 cts a kilo to 93 cts but the quantity went up

e average price for arabica was 75 cts/kilo, which t year.

The quantities of Wugar and Drugar exported went down from a total of 312,504 bags to 195,562 bags, which is 37.4%. The decline is explained by the fact that Nebbi and Kasese districts were off cycle following the bumper harvests in the previous two years.

2.22 PERFORMANCE BY INDIVIDUAL EXPORTERS

For the coffee year ended September 30, 2002, there were 33 registered coffee exporters but only 29 were able to perform as indicated in table 2.5 below.

Table 2.5 EXPORT PERFORMANCES BY INDIVIDUAL EXPORTERS - Oct/Sept. 2001/02
- 60 Kilo bags & %-age Market Share -

	EXPORTER	2001/02			2000/01	
		Qty	Mkt. Share		Qty	Mkt. Share
	Grand Total	**3,146,381**	**100.00**	**Cum**	**3,074,773**	**100.0**
1	Ugacof Ltd.	488,330	15.52	15.5	507,035	16.49
2	Pan Afric Impex (U) Ltd.	425,829	13.53	29.1	460,265	14.97
3	Intertrade Service Ltd.	261,497	8.31	37.4	166,059	5.40
4	Great Lakes	256,550	8.15	45.5	223,672	7.27
5	Olam (U) Ltd.	237,829	7.56	53.1	263,878	8.58
6	Kampala Domestic Store	219,638	6.98	60.1	175,825	5.72
7	H. M. Nsamba & Sons Ltd.	192,868	6.13	66.2	89,642	2.92
8	Kyagalanyi Coffee Ltd.	162,255	5.16	71.3	226,324	7.36
9	Kawacom (U) Ltd.	159,790	5.08	76.4	117,508	3.82
10	Ibero (U) Ltd.	127,929	4.07	80.5	191,170	6.22
11	Nakana Coffee Factory	124,818	3.97	84.5	76,073	2.47
12	Wabulungu Multi-Purpose Estate	104,758	3.33	87.8	91,725	2.98
13	Mbale Importers & Exporters	63,159	2.01	89.8	45,369	1.48
14	Union Export Services (UNEX)	53,481	1.70	91.5	36,477	1.19
15	Busingye & Co. Ltd.	49,315	1.57	93.1	153,300	4.99
16	Bugisu Co-op Union	42,093	1.34	94.4	27,860	0.91
17	Cetco	37,436	1.19	95.6	51,023	1.66
18	Job Coffee	31,949	1.02	96.6	-	0.00
19	Zinunula Coffee Works	25,127	0.80	97.4	22,700	0.74
20	Banga Multi-Purpose Society	21,848	0.69	98.1	82,158	2.67
21	Zigoti Coffee Works	18,009	0.57	98.7	-	0.00
22	Bakwenye Trading Co. Ltd.	13,654	0.43	99.1	14,690	0.48
23	Budadiri	9,550	0.30	99.4	-	0.00
24	Joan Coffee Dealers Ltd.	6,779	0.22	99.6	21,988	0.72
25	House of Uganda Coffee	5,130	0.16	99.8	-	0.00
26	Samimpex (U) Ltd.	3,350	0.11	99.9	-	0.00
27	Nanga Farm Ltd.	1,462	0.05	99.9	1,620	0.05
28	Salati	1,280	0.04	100.0	640	0.02
29	Libra Commodities Ltd.	668	0.02	100.0	19,712	0.64
30	Cofcrop.	-	0.00	100.0	8,060	0.26

Just like in the previous year, Ms Ugacof Ltd. topped the list with 488,330 bags, accounting for a market share of 15.5%. Although there was a shift in relative

30% of the market was still dominated by the same10
r.

2.23 COFFEE EXPORTS BY DESTINATION

Table 2.6 below shows Uganda coffee exports by destination in 2001/02. The European Union, the traditional market of Uganda coffee, continued to be the major destination of Uganda coffee, accounting for 86% (2.7 million bags). This is more less the same quantity shipped in the previous two years. This is an indication of strong trading ties - smart partnerships – that exists between roasters in EU countries and the exporters of Uganda coffee.

Table 2.6 UGANDA COFFEE EXPORTS TO ALL DESTINATIONS - 60-kilo bags –

	EXPORTER	Qty	- %-Age Mkt. Share	
	Grand Total	**3,146,381**	**100.00**	**Cumulative**
1	EU[1]	2,717,071	86.36	81.8
2	SUDAN	158,077	5.02	86.9
3	SWITZERLAND	135,701	4.31	95.7
4	HUNGARY	45,046	1.43	97.1
5	USA	20,170	0.64	97.8
6	POLAND	20,066	0.64	98.4
7	ERITREA	12,170	0.39	98.8
8	SINGAPORE	11,714	0.37	99.2
9	MOROCCO	7,240	0.23	99.4
10	JAPAN	5,420	0.17	99.6
11	ISRAEL	3,556	0.11	99.7
12	CANADA	3,144	0.10	99.8
13	EGYPT	2,330	0.07	99.9
15	KENYA	999	0.03	99.9
17	CZECH/SLOVAKIA	710	0.02	99.9
18	BREMEN	670	0.02	99.9
19	JORDAN	668	0.02	99.9
20	AUSTRALIA	650	0.02	100.0
21	ROMANIA	334	0.01	100.0
22	HONG-KONG	325	0.01	100.0
23	ALGERIA	320	0.01	100.0

In Africa, the Sudan has become a significant destination of Uganda coffee, accounting for 158,077 bags or 5% of total coffee exports. Last year, coffee exports to Sudan were 143,715 bags, which was 4.7%.

2.24 COFFEE EXPORTS BY OVERSEAS BUYERS

Table 2.7 represents coffee purchases by quantity, individual and cumulative percentage market shares of the overseas buyers of Uganda coffee. Over 72% of Uganda coffee was purchased by 13 buyers. Sucafina was the top buyer; accounting

[1]Members of EU countries include: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom.

ved by Drucafe. There was, however, a decline in the the 13 buying firms from 81.1% to 72.0%, a swift in relative positions of the individual buyers compared to last year.

Table 2.7 **COFFEE EXPORTS BY OVERSEAS BUYERS** - 60 -kilo bags -

	OVERSEAS COFFEE BUYERS	Qty	Percentage Market Share	
		3,146,381	Individual	Cumulative
1	SUCAFINA	565,145	17.96	18.0
2	DRUCAFE	328,617	10.44	28.4
3	OLAM INTERNATIONAL Ltd.	278,157	8.84	37.2
4	ICONACAFE	165,169	5.25	42.5
5	ECOM AGROINDUST	162,011	5.15	47.6
6	ELMATHABIB	159,715	5.08	52.7
7	DECOTRADE	151,715	4.82	57.5
8	VOLCAFE	141,318	4.49	62.0
9	SOCADEC	126,565	4.02	66.1
10	COMPANIA	66,653	2.12	68.2
11	HACOFCO	44,598	1.42	69.6
12	TEO UK	38,343	1.22	70.8
13	EURO COMM	38,320	1.22	72.0
14	OTHERS	880,055	27.97	100.0

2.30 PRICE MOVEMENT

2.31 LOCAL PRICES

Farmgate prices remained depressed throughout the year in keeping with the global downward trend; the price for Kiboko and FAQ averaged at Shs. 250 and Shs. 520 per kilo, down from Shs. 270 and Shs. 700 respectively. Similarly, Arabica parchment prices averaged at Shs. 900, down from Shs. 950 per kilo.

Table 2.8 FARMERS' PERCENTAGE SHARE OF FOR/T KAMPALA PRICE

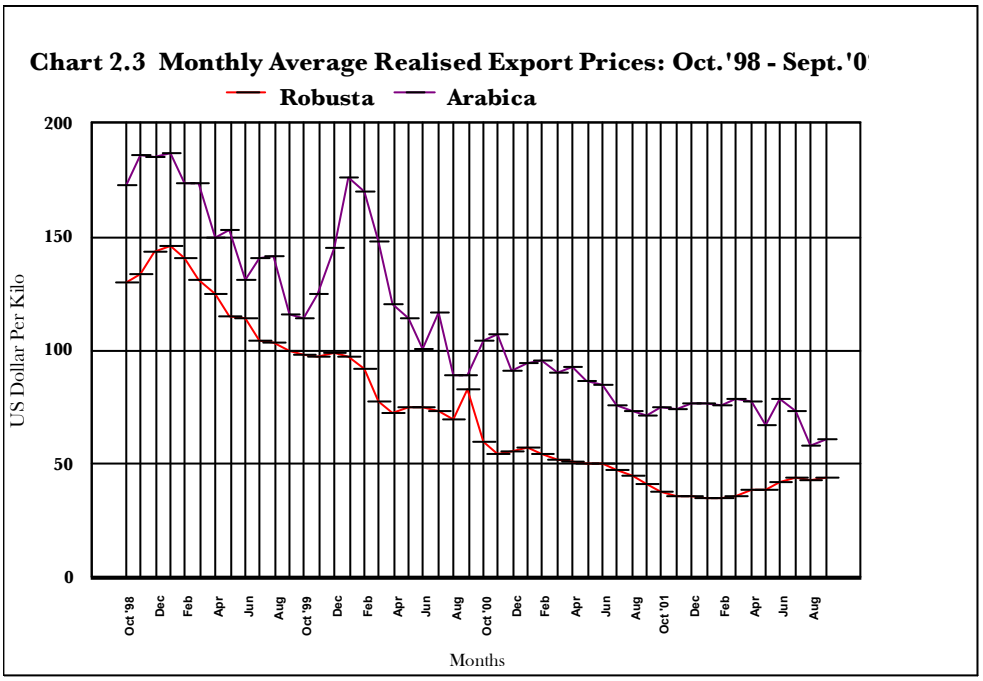
COFFEE YEAR	Average Price in Shs/Kilo		%-Age Share
	F.A.Q	SC. 1500	
1991/92	420	927	45
1992/93	568	1,092	52
1993/94	1,292	1,684	77
1994/95	1,685	2,343	72
1995/96	1,254	1,606	78
1996/97	1,146	1,480	77
1997/98	1,430	1,900	75
1998/99	1,433	1,899	75
1999/2000	1,100	1,580	70
2000/01	700	997	70
2001/02	520	778	67

The effect of low prices at household level has been an adjustment in farm maintenance to cut down on production costs. Farmers temporarily held back stocks in anticipation for a price recovery during the Brazilian winter season. However, farmers have rightly used this slump period to replace the old coffee trees and those affected by coffee wilt disease under the poverty alleviation intervention programme.

ıers percentage share in the FOR/T export realised
ın average of 70% in 1999/00 and 2000/01 to 67%.

2.32 EXPORT PRICES

The market drivers in 2001/02 have been the level of global production surplus, the huge coffee stocks in consuming countries and good weather conditions in major origins. Chart 2.3 shows the price trend for both Arabica and Robusta coffee since October 1998 to September 2002. The average FOR/T prices Kampala, were US 40 cts and 75 cts per kilo for Robusta and arabica, respectively. The lowest price 35 cts was recorded in the months Feb/March for Robusta, while that of arabica was 61 cts/kilo in September 2002.



Supply factors continued to influence market developments throughout the year, with the 2001/02 production estimated at 113.34 million bags. This was an increase of 0.64% over 2000/01 production of 112.62 million bags. Additionally, forecasts of a large crop of around 119.6 million bags in 2002/03 further fuelled the negative sentiments.

2.40 DOMESTIC CONSUMPTION

Domestic coffee consumption has exhibited some growth with the mushrooming of coffee shops and Internet Cafes in and around the City and major towns. Although consumption has over the years been estimated in the range of 150,000 60-kilo bags, the actual domestic demand has not been established. A national consumption survey, therefore, is to be conducted in the coming coffee year to establish domestic consumption.

rs formed the Uganda Coffee Roasters' Association UCDA provides UCRA Secretariat with office accommodation on Coffee House, Plot 35 Jinja Road and pays salary to UCRA staff manning the office. UCRA members were also given a permanent stand at UMA Show ground, Lugogo and at Jinja Show ground where they exhibit their coffee products.

Table 2.9 below represents a list of registered coffee roasters for the domestic market.

TABLE 2.9 LISTS OF REGISTERED COFFEE ROASTERS – 2001/03

Roaster	Current output	Brand Name
Safari Industries Ltd.	260	Safari Coffee
Star Coffee Ltd.	200	Star Café
Bugisu Co-op Union	60	Elgon Pride
Kampala Jellitone Suppliers	375	Nguvu & Classic
Shire International Ltd.	72	Crane Coffee
Ubaaki Enterprises Ltd	96	Muzuri Coffee
Gayaza Roasters	72	Gayaza Coffee
Ban Café	120	Ban café
Jaribu Roasters	40	Jaribu
Aswan Enterprises	40	Super Coffee
Kaawa Kawomera	60	Kaawa Kawomera
Total	**1,523**	

2.50 CLOSING STOCKS

Closing coffee stocks were estimated at around 710,000 bags where 320,000 bags were at the exporter and processor levels and 390,000 bags were at the collection centres through the country.

Table 2.10 COFFEE STOCK MOVEMENT - in 60-Kilo Bags -.

Type	2001/02 +		
	Robusta	Arabica	Total
Opening Stock	440,283	69,717	**510,000**
Total Production	3,021,550	478,450	**3,500,000**
Domestic Consumption	129,495	20,505	**150,000**
Exports (Oct/Sept.)	2,716,271	430,110	**3,146,381**
Closing Stock	616,067	97,552	**713,619**

Uganda went into a joint venture with Beijing North Star Corporation (BNSC), a Chinese company, to promote the consumption of Uganda coffee in China. The joint company (Beijing Chenao Coffee Co. Ltd.), operates a roasting facility and two coffee shops in Beijing and they supply coffee products to 25 hotels in the same city.

Similar arrangements through the Egyptian Investment Authority are underway to establish a joint venture with an Egyptian company, TESCO UNION through which a chain of coffee shops will be opened in Cairo.

2.70 OUTLOOK FOR 2002/03

World coffee production for the coming coffee year, Oct/Sept 2002/03, were projected at 125.1 million 60-kilo bags by USDA, where nearly 50 million bags were expected to come from Brazil. Total availability was forecast at 148.9 million bags against a somewhat static consumption level of 113.2 million bags: Where 85.6 million will be consumed in importing countries and 26.1 million bags in producing countries. This therefore means that over availability of coffee will continue to exert downward pressure on coffee prices.

Meanwhile, Uganda's coffee production and exports for the year (2002/03) were estimated at 3.4 million bags and 3.2 million, respectively. This represents a 2 percent increase compared to 2001/02. The projection is based on good weather witnessed during the bean formation.

CHAPTER THREE
COFFEE DEVELOPMENT PROGRAMMES

3.0 INTRODUCTION

Coffee growing continued to be a core activity in the main coffee growing areas, despite the persistent low prices at the international markets. During the 2001/2002 coffee year, Poverty Alleviation Funds (PAF) received from the Government boosted the coffee-replanting programme. The funds were used to purchase coffee plantlets for distribution to the needy peasant farmers whose coffee shambas were adversely affected by coffee wilt disease (CWD), and those with very old coffee trees.

3.1 COFFEE PRODUCTION

A total of 26.5 million coffee plantlets, comprising 21.2 million robusta and 5.3 million arabica were planted during the year under review. In the same year, there was a slight reduction in coffee production from 3.75 million 60-kilo bags in 2000/2001 to about 3.5 million 60-kilo bags in 2001/2002, out of which 3.15 million 60-kilo bags were exported. The near stable performance in production, especially against the lowest coffee prices in four decades ago, demonstrates the competitiveness of the coffee enterprise in the Ugandan farming system. The decline in production could be partly be explained by to effects of CWD and abandonment of the existing old coffee shambas that were not economically viable to maintain. Nonetheless, the cumulative gains from new plantings, especially clonal coffee, assisted to keep production on a positive trend. Table 3.1 highlights the coffee production potential as at end of 2001/2002 coffee year.

Note to the table:

1. Area under coffee includes both CWD infected and unaffected areas
2. Weighted average production of clean coffee for Robusta and arabica coffee is estimated at 16 bags and 17 bags per Ha
3. With fairly good management, capacity coffee production is estimated at an average of 30 bags (FAQ) per Hectare
4. The weight of one bag is 60 kilos.
5. Newly created districts included Kayunga, Mayuge, etc.

t PRODUCTIONS POTENTIAL PER DISTRICT 2001/02

District	end 2000/01 (ha)	Area (Ha) discounting for CWD 2001/02	New Area Planted (Ha) in 2001/2002	Total Area Now under Coffee (Ha)	Potential Production (60 Kg bags)
1. Mubende	22,040	12,100	2,130	14,230	426,900
2. Kiboga		6,500	446	6,946	208,380
3. Kabalore	2,565	2,100	183	2,283	68,490
4. Kyenjojo			44	44	13,640
5. Kamwenge			235	235	7,050
6. Bundibugyo	705		116	256	7,680
7. Kibaale	4,924	4,000	215	4,215	126,450
8. Hoima	4,614	3,000	156	3,156	94,680
9. Masindi	26,940	13,000	135	13,135	394,050
10. Kasese	3,908	3,500	333	3,833	114,990
11. Mbarara	5,510	3,750	563	4,313	129,390
12. Bushenyi	7,610	4,500	633	5,133	153,990
13. Ntungamo	4,422	2,800	294	3,094	92,820
14. Rukungiri	1,950	1,125	155	1,280	38,400
15. Kanungu	800		43	43	1,290
16. Kabale	626	626	126	752	22,560
17. Kisoro	1,172	1,172	280	1,452	43,560
18. Jinja	5,535	4,500	72	4,572	137,160
19. Kamuli	7,620	4,800	150	4,950	148,500
20. Iganga	13,240	10,800	150	10,950	328,500
21. Bugiri			95	95	2,850
22. Busia	145		96	96	2,880
23. Mayuge			156	156	4,680
24. Pallisa	254	254	178	432	12,960
25. Tororo	175	175	197	372	11,160
26. Mbale	18,500	18,500	454	18,954	568,620
27. Sironko			530	530	15,900
28. Kapchorwa	9,700	9,700	527	10,227	306,810
29. Mpigi	34,200	12,540	1,156	13,696	410,880
30. Luweero	17,940	7,200	2,334	9,534	286,020
31. Wakiso			1,760	1,760	52,800
32. Nakasongola	2,020	1,200	258	1,458	43,740
33. Kayunga		10,000	636	10,636	319,080
34. Mukono	52,900	8,200	1,760	9,960	298,800
35. Kalangala	2,771	2,250	79	2,329	69,870
36. Masaka	41,440	33,250	1,890	35,140	1,054,200
37. Rakai	10,200	7,600	390	7,990	239,700
38. Sembabule	3,940	3,150	407	3,557	106,710
39. Arua	4,800	4,800	365	5,165	154,950
40. Nebbi	5,100	5,100	1,163	6,263	187,890
41. Apac	395	395	166	561	16,830
42. Gulu	356	356	156	512	15,360
43. Kitgum	235	235	24	259	7,770
44. Lira	367	367	361	728	21,840
45. Moyo		2.2	2		120
46. Pader		68	68	136	4,080
47. Yumbe		45	31	76	2,280
G-TOTAL	319,619	203,660	21,698	225,494	6,777,260

:PLANTING PROGRAMME

e

The coffee nursery programme remained buoyant for most of the year, resulting in production of adequate quantities of coffee plantlets. Over 30 million coffee plantlets were produced, consisting of about 24 million robusta and slightly over 6 million arabica. Elite seedlings continued to dominate the production chain. Continued distribution of elite robusta coffee seed and entry of capable, business oriented operators in the programme improved overall production capacity throughout the country. Production capacity of 50 million coffee plantlets per annum has so far been created and more funds would be needed to absorb the produced plantlets during the coming planting seasons. The constraint of unavailability of planting materials for farmers is therefore no more, instead, the fund available are inadequate to absorb all the available coffee plantlets. Table 3.2 below summarises coffee nurseries performance during 2001/02 coffee year.

Table 3.2 PRODUCTIVITY OF COFFEE NURSERIES IN THE 5 COFFEE ZONES

Coffee Zone	Number of Districts	Number of Operators	Average Annual Plantlets Production	Potential Annual Plantlets Production
1. Central	13	563	2,331,733	10,202,825
2. Western	7	264	6,050,000	8,066,000
3. S/Western	8	209	7,682,000	11,360,000
4. Eastern	11	229	6,586,430	11,432,500
5. Mid & Northern	10	223	7,475,700	9,123,680
Total	49	**1,488**	**30,125,863**	**50,185,005**

Source: UCDA Field Data, 2001/2002.

As indicated in the table above, a total of 1,488 coffee nurseries existed in the 5 Coffee Zones as at end of the coffee year. The current annual production is about 30 million plantlets, with a potential annual production capacity for about 50 million plantlets. Achievement of this production capacity will largely depend on increased supply of elite seed, supported with improved rehabilitation of the existing mother gardens for clonal cuttings and availability of funds to purchase all the mature plantlets from the nurseries. Table 3.3 summarises the seed distribution to nursery operators in various districts during the year.

More effort in nursery programme should, therefore, be directed towards ensuring continued production of both clonal cuttings and elite seedlings in proportions that would not undermine the clonal lines of the Robusta variety in the system. Due to the CWD devastation in robusta areas, the need for low land arabica varieties has become more apparent. In an effort to fulfil this need, some nursery operators have embarked on multiplication of the catimor arabica variety. In the meantime, CORI is in the final stages of testing the lowland arabicas being developed at their stations.

TE COFFEE SEED DISTRIBUTION

	l Distribution in Kilos			Expected No. of Plantlets
	[illegible], 2002	August, 2002	Total	
Bundibugyo*	120	40	160	400,000
Bushenyi	90		90	225,000
Hoima	50		50	125,000
Iganga	150		150	375,000
Jinja	60		60	150,000
Kamuli	70	50	120	300,000
Kalangala	50		50	125,000
Kabarole	55	40	95	237,500
Kasese	70		70	175,000
Kibaale	50		50	125,000
Kiboga	90	20	110	275,000
Luweero	130	50	180	450,000
Masaka	90		90	225,000
Masindi	60		60	150,000
Mbarara	150	75	225	562,500
Mpigi	150	200	350	875,000
Mubende	70	50	120	300,000
Mukono	190	120	310	775,000
Ntungamo	60		60	150,000
Rakai	50		50	125,000
Rukungiri	120		120	300,000
Kabale *	40		40	100,000
Arua*	30	75	105	262,500
Kapchorwa*	400		400	1,000,000
Nebbi*	200		200	500,000
Kisoro*	300		300	750,000
Mbale*	500		500	1,250,000
Moyo	20		20	50,000
Adjumani	20		20	50,000
Gulu	170	50	220	550,000
Kitgum	175	50	225	562,500
Pallisa	130		130	325,000
Tororo	200	120	320	800,000
Apac	176	100		690,000
Lira	180	120	300	750,000
Total Seed	**4,466**	**1,160**	**5,626**	**14,065,000**
Expected Plantlets	11,165,000	2,900,000	**14,065,000**	

Note: Each Kilo of seed contains approx. 2,500 plantlets after discounting for mortality rate

3.2.2 THE REPLANTING PROGRAMME

The main goal of the replanting programme is to gradually replace the low yielding aged coffee trees and those affected by CWD. Under the strategic government intervention to alleviate poverty in line with the Plan for Modernisation of Agriculture, UCDA using PAF funds provided free coffee seedlings to the needy farmers. This intervention enhanced the replanting programme as represented in Table 3.4 below, which gives a summary of plantlets distributed per district. It also highlights beneficiaries of the programme – farmers and nursery operators.

ING AND BENEFICIARIES DURING 2001/02

District	antlets Distributed			Number of Beneficiaries	
	Robusta	Arabica	Total	Nursery Operators	Farmers
1. Mubende	2,342,415		2,342,415	71	9,797
2. Kiboga	490,355		490,355	12	1,078
3. Kabalore	201,589	130,128	331,717	36	1,718
4. Kyenjojo	48,353		48,353	11	169
5. Kamwenge	237,616	28,000	265,616	36	1,152
6. Bundibugyo	93,265	48,950	142,215	16	843
7. Kibaale	235,000		235,000	37	1,673
8. Hoima	173,355		173,355	26	788
9. Masindi	148,000		148,000	19	1,047
Sub-total	**3,969,948**	**207,078**	**4,177,026**	**264**	**18,265**
10. Kasese		533,000	533,000	35	2,783
11. Mbarara	596,940	31,387	628,327	33	2,038
12. Bushenyi	627,559	101,063	728,622		1,654
13. Ntungamo	323,604		323,604	8	1,822
14. Rukungiri	109,050	89,000	198,050	17	1,519
15. Kanungu	40,076	27,689	67,765	7	626
16. Kabale	3,000	196,883	199,883	54	1,153
17. Kisoro		477,254	477,254	55	194
Sub-total	**1,700,229**	**1,456,276**	**3,156,505**	**209**	**11,789**
18. Jinja	79,230		79,230	8	651
19. Kamuli	165,405		165,405	20	477
20. Iganga	164,750		164,750	14	816
21. Bugiri	104,220		104,220	17	855
22. Busia	105,469		105,469	12	538
23. Mayuge	171,075		171,075	13	759
24. Pallisa	195,516		195,516	11	1,152
25. Tororo	216,835		216,835	32	1,538
26. Mbale		726,655	726,655	47	2,956
27. Sironko		383,604	383,604	38	4,800
28. Kapchorwa		843,123	843,123	17	8,430
Sub-total	**1,202,500**	**1,953,382**	**3,155,882**	**229**	**22,972**
29. Mpigi	1,271,355		1,271,355	52	4,474
30. Luweero	2,567,498		2,567,498	99	12,271
31. Wakiso	1,935,290		1,935,290	104	13,637
32. Nakasongola	283,930		283,930	6	658
33. Kayunga	699,785		699,785	37	4,665
34. Mukono	1,935,760	5,000	1,940,760	98	10,761
35. Kalangala	87,000		87,000	7	462
36. Masaka	2,079,438		2,079,438	67	11,000
37. Sembabule	447,945		447,945	40	2,197
38. Rakai	389,642		389,642	52	2,227
39. Kampala	5,000		5,000	1	56
Sub-total	**11,702,643**	**5,000**	**11,707,643**	**563**	**62,408**

NG AND BENEFICIARIES DURING 2001/02 - Cont

District		antlets Distributed		Number of Beneficiaries	
				Nursery Operators	Farmers
40. Arua		584,740	584,740	84	1,894
41. Nebbi		1,861,575	1,861,575	74	8,080
42. Apac	182,557		182,557	11	941
43. Gulu	172,368		172,368	13	652
44. Kitgum	26,739		26,739	2	386
45. Lira	397,100		397,100	11	701
46. Moyo	2,469		2,469	2	17
47. Soroti	29,860		29,860	5	199
48. Pader	74,994		74,994	5	36
49. Yumbe		50,000	50,000	16	191
Sub-total	**886,087**	**2,496,315**	**3,382,402**	**223**	**13,097**
G-TOTAL	**19,461,407**	**6,118,051**	**25,579,458**	**1,588**	**131,127**

Source: UCDA Replanting Data 2001/2002

The programme continued on a positive trend with farmers and local leadership and Field Extension staff in full participation, with UCDA as the Lead Agency in implementing the programme. A total of 25,579,457 plantlets were planted, constituting 19,461,407 Robusta and 6,118,051 arabica. The plantlets were supplied by 1,488 Nursery operators and benefited 131,127 peasant farmers. Aware of the existence of ***bicupuli*** coffee nurseries, the following guidelines were followed in procurement and distribution of plantlets to farmers:

(a) Coffee plantlets would be procured only from UCDA registered coffee nurseries that received elite seed from UCDA;

(b) Coffee plantlets for supply should be mature, well developed and firmly holding in the pot, with a minimum of four (4) pairs of true leaves;

(c) All coffee plantlets for supply should be in standard black poly-pots of minimum dimensions of 4" x 6" (inches) for seedlings and 5" x 7" (inches) for cuttings;

(d) No nursery operator was supposed to supply coffee plantlets to farmers without an order from UCDA or District Production Department;

(e)) A coffee nursery operator in traditional robusta coffee district should have an operational mother garden by December 2002; and

(g) Payment to nursery operators would be done after completion of accountability procedures.

3.3 FARMER TRAINING AND EXTENSION SERVICES

Training of farmers and mobilisation of local leadership were among priority programmes of UCDA. The objective was to empower farmers with the basic knowledge and technical skills in coffee husbandry and management. Training sessions were conducted in collaboration with MAAIF Field Workers at the districts, concentrating mainly on:

ent;
ndry;
(iii.) Pest and disease control and their management;
(iv.) Coffee wilt disease control and its management;
(v.) Coffee propagation methods and nursery management;
(vi.) Post harvest handling and quality improvement; and
(vii.) Coffee farming as a business.

Having formed a number of nucleus coffee villages throughout the country, training is getting more localised around the formed out-grower coffee villages. Taking advantage of the coffee village scheme, UCFA has, in collaboration with UCDA and District Authorities embarked on training farmers on value addition through wet coffee processing.

3.4 DISTRICT COFFEE CO-ORDINATORS

UCDA employs 33 District Coffee Co-ordinators to oversee the coffee activities in their respective districts, but they are directly supervised by the District Agricultural Officers. The duties of DCCs include:

(a) Carrying out surveillance on the severity of CWD;
(b) Training of farmers;
(c) Co-ordinating the replanting programme;
(d) Compiling data on production and marketing;
(e) Enforcing the coffee regulations such as licensing of stores, factories, etc.;
(f) Compiling coffee farmers' registers in the district; and
(g) Monitoring the compilation of data from primary processors.

Management evaluated the 23 DCCs and the Board renewed their contracts for another two years. Contracts for the DCCs of Bundibugyo, Kasese and Arua were cancelled due to unsatisfactory performance. The Board is to fill the vacant posts in coffee growing areas where they are lacking.

To improve on the service delivery, 25 new Honda XL motorcycles were procured and distributed to the DCCs.

3.5 FARMER MOBILISATION PROGRAMMES ON RADIO

Radio Uganda continued to air the mainstream UCDA sponsored weekly coffee programmes as indicated in Table 3.5 below.

TABLE 3.5 COFFEE PROGRAMME SCHEDULE ON RADIO UGANDA

DAY	LANGUAGE	TIME	CHANNEL	COVERAGE
Tuesdays	Alur	1800 Hrs (6.00 PM)	Red	North Eastern Region
Sundays	Luganda	0630 Hrs (6.30 AM)	Blue	Central Region
Saturdays	Lumasaba	1730 Hrs (5.30 PM)	Butebo	Eastern Region
Sundays	RRRR	0630 Hrs (6.30 PM)	Blue	Western Region

The programmes centred on general husbandry practices as indicated in section 3.4

expressed their desire to have these programmes on e they have a wider listener ship.

3.6 SOCIO - ECONOMIC CASE STUDIES

3.6.1 Incidence and Spread of Coffee Wilt Disease

During the year, a Multi-Sectoral Team from UCDA, MAAIF and CORI, co-ordinated by CABI International Nairobi, undertook a Biological and Socio-economic Survey to:

- Establish the economic loss and impact of Coffee Wilt Disease (CWD) at both national and household levels;
- To establish the alternative coping strategies farmers have employed to generate income other than coffee; and
- To determine an optimal replanting rate that would offset the anticipated loss from the CWD disease and hence sustain a positive trend in coffee production in the economy.

3.6.2 FINDINGS

Data from this survey, weighted against the regular UCDA field staff surveillance data, revealed that:

(a) The loss due to CWD is variable from district to district.

(b) At national level, it is estimated that the CWD has led to a 42% loss of the initial area under Robusta. The initial area was estimated at 242,000 Ha. (*Agricultural Census, 1991*), which means the loss to CWD is slightly over 100,000 Ha. At an average yield of 600 Kg of Clean per Hectare, this loss is equivalent to about 60,000 tonnes. Pegged at an average export price of US$ 600 per tonne, this loss translates to about US$ 36 million; this is a very big loss to a poor economy like Uganda and has serious macro and micro-economic consequences.

(c) The CWD loss in the affected districts was also categorised according to density pattern into: High density (above 50%); Medium density (20-50%); and Low density (less than 20%). Districts, which fall, in the high density areas include Mpigi, Mukono, Kayunga, Wakiso, Nakasongola, Kiboga, Rukungiri, Kabarole and Bundibugyo. In this category, Bundibugyo ranks highest at 82% and Kiboga lowest at 50%. This does not however reflect ranking based on number of trees lost. The number of trees lost is a function of infection level and total area under coffee. Using this indicator, it was revealed that Mukono has the highest area infected by CWD (about 33,000 Ha and incidence level stands at 65%). Bundibugyo has the lowest area affected at 574 Ha. Table 3.6. Indicates infection densities in various robusta-growing districts: Masaka and Rakai are also among the low infected districts.

F COFFEE WILT DISEASE: 2001/2002.

			% Infection	Area infected (**ha**)	Net Area (**ha**)
1	Mukono	52,000	65	33,800	18,200
2	Mpigi	33,000	62	20,460	12,540
3	Mubende	22,000	58	12,760	9,240
4	Luweero	18,000	60	10,800	7,200
5	Kiboga	10,000	50	5,000	5,000
6	Nakasongola	2,000	40	800	1,200
7	Kibaale	5,000	40	2,000	3,000
8	Hoima	4,000	40	1,600	2,400
9	Masindi	2,000	35	700	1,300
10	Kabarole	1,500	65	975	525
11	Bundibugyo	700	82	574	126
12	Rukungiri	2,500	55	1,375	1,125
13	Bushenyi	6,000	25	1,500	4,500
14	Ntungamo	4,000	30	1,200	2,800
15	Mbarara	5,000	25	1,250	3,750
16	Masaka	35,000	05	1,750	33,250
17	Kalangala	2,500	10	250	2,250
18	Sembabule	3,500	10	350	3,150
19	Rakai	8,000	05	400	7,600
20	Jinja	5,000	10	500	4,500
21	Kamuli	6,000	20	1,200	4,800
22	Iganga	12,000	10	1,200	10,800
23	Total	**239,700**	**42**	**100,444**	**139,256**

(d) In terms of loss due to CWD at household levels, the situation is worrying especially in the Central and some parts of the West, where farmers have lost up to 50% of their coffee shambas. In other parts of the country, the disease incidence is variable ranging from 10 - 50%. However, empirical evidence from farmer indicates that the disease is increasing at a decreasing rate, implying that it has attained a threshold point of the pathogen.

(e) Farmers have opted to diversify their farming pattern to enable them improve their incomes and food security through other enterprises. In the Central zone, farmers have switched to planting vanilla, cocoa, tea and annual crops and livestock. In the Western zone, farmers have switched to bananas and tea and annual crops; while in the Eastern zone farmers have switched over to rice, sugarcane, maize and beans and livestock.

The switch over to other farm enterprises is not only as a result of the effect of coffee wilt disease, but it is also due to the persistent low prices over the years.

The future of the coffee industry will greatly depend on intensification of research, well focussed and optimal replanting programme and support to all initiatives intended to mitigate the effects of CWD.

NG RATE

policy to replace the old and unproductive robusta coffee trees, 60,000 Ha have already been replaced, leaving a net balance of **182,000 ha**. To replace this in the next 4 years requires an equivalent of **45 million** plantlets annually.

(b) In order to achieve and sustain an annual production capacity for **4 million 60-Kilo bags** of robusta coffee, this would require 100,000 ha in production with new coffee. Having already replanted **60,000 ha.** of clonal Robusta, it will only need replanting **40,000 ha** in the next 4 years, that is **10,000 ha**. or 10 million trees per year. However, if the target is for production capacity of 6.0 million 60-kilo bags in the next 4-5 years, this would need a total of **150,000 ha**. of clonal coffee in production. Noting that 60,000 ha. of clonal coffee has cumulatively been replanted since 1993/94, to achieve this target would require additional replanting of **90,000 ha**. in the next 4 years. This requires an optimum replanting rate of **22,500** ha. or 22.5 million coffee plantlets to be planted annually.

3. 6.4 COFFEE PESTS AND DISEASE INCIDENCE

Following reports of a probable occurrence of Coffee Leaf Rust (CLR) in Mbale, a team of scientists from Coffee Research Institute (CORI), Uganda Coffee Development Authority (UCDA), Uganda Coffee Farmers Association (UCFA) and Extension Workers was despatched to the area. The team established that there was n no occurrence of CLR in the area, but the trees lacked nutrients due to irregular spray of coffee. It was noted that the current arabica varieties of SL 14 and SL 28 are susceptible to the disease and losses could be as high as 50% if not contained early. Consequently, farmers were advised to spray their coffee shambas regularly and to always mix copper fungicides with pesticides in order to control diseases and pests in one spraying round. The common pests and diseases to arabica coffee include; *Antestia Bug*, *Coffee Berry Borer* and Coffee *Berry Disease.* These have also been reported in the new arabica districts of Kabale and Kisoro.

In robusta coffee, especially clonal coffee few incidences of pests and diseases were reported in all the producing districts. Common pests and diseases include Coffee *Berry Borer* (CBB), *Root Mealy Bugs* and *Coffee Berry Disease* (CBD). With good husbandry and light applications of pesticides, however, the effects of these could be reduced to a minimum.

3.6.5 COST OF ESTABLISHING A HECTARE OF COFFEE IN UGANDA

In an effort to promote adoption of coffee farming as a long-term business venture, farmers have to be guided on how to manage their shambas economically and ergonomically to avoid consequences of high cost and poor farm establishment. This cost is very important for commercial farmers who need to know the viability of investing in coffee farming. Important considerations are the Payback Period, Rate of Returns and Cost Benefit Analysis of the investment (with reference to time trend of

nary of establishment cost structure for Robusta and

From the table, it is established that, the high cost of arabica is due to high input requirement especially spraying against Pests and diseases (*Antestia Bugs, Leaf Minors, Leaf Rust and Coffee Berry Disease*) as opposed to clonal Robusta coffee where pests and diseases are controlled by good management and observing good husbandry practices and minimal application of pesticides.

TABLE 3.7 ESTABLISHMENT COST STRUCTURE OF A HECTARE OF COFFEE IN UGANDA

Type of coffee / Cost Parameters	**Clonal Robusta Coffee**		**Arabica Coffee**	
I: Activities	**Physical**	**Financial Shs**	**Physical**	**Financial Shs**
(i). Clearing land	30 man-days	45,000	30 man-days	45,000
(ii). First ploughing	60 man-days	90,000	60 ma-days	90,000
(iii). Second ploughing	50 man-days	75,000	50 man-days	75,000
(iv). Hole digging/ marking	1000x shs .400	400,000	1600 x shs. 200	320,000
(vi) Cost of plantlets	1000 x shs. 300	300,000	1600 x shs. 300	480,000
(vii). Planting	30 man-days	45,000	30 man-days	45,000
(viii) Weeding	40 man-days x 3 years	180,000	60 man-days	180,000
(ix) Training	20 man-days	30,000	20 man-days	30,000
(xi) Spraying	20 man-days x 3 years	90,000	40 man-days	180,000
(xii) Manuring	10 man-days x 3 years	45,000	10 man-days x 3 yrs	45,000
(xii) Harvesting and Processing.	120 man-days	225,000	120 man -days	180,000
(xiii) Supervision)	20 man-days x 3 years	90,000	20 man-days x 3 yrs	90,000
Sub-total		**1,615,000**		**1,760,000**
II: Inputs				
(i) Manure	Half lorry/equivalent	100,000	Half lorry /equiv.	100,000
(ii) Pesticides/herbicides	(4) Litres p.a.	60,000	(8) Litres	120,000
III: Equipment *(Depreciation)*	-	200,000		250,000
Total Cost		**1,975,000**		**2,230,000**
IV: Outputs				
(i) First year Yield	2,700 kg-kiboko		800 kg - parchment	**-**
(ii) Gross income at shs. 250/ kg	-	675,000	At shs. 990/Kg	792,000
Payback Period		**4.44 Years**		**4.53 Years**

Source: Industry Data Source: 1996/2002. *Note: Low/Medium input farmers are use.d. Land is taken a free.*

Results shown in Table 3.7 above indicate that it is economically viable to invest in both clonal Robusta and Arabica coffee, even at the current low prices. With improvement in the global coffee prices, investing in coffee farming remains a better alternative for the peasants who have limited choice of enterprise mix to generate income. Besides, coffee is interplanted with common crops such as bananas and legumes, which further reduce on the cost of establishment and improve on returns to investment per unit of land utilised. Based on current wage rates and market prices of inputs used in farming, the cost of establishing a hectare of clonal coffee comes to about Shillings 1,885,000/= per hectare of clonal robusta and Shillings 2,230,000/= for Arabica coffee.

offee shamba, a period of 3 years is taken as a starting hat during and/or after the third year, that is when coffee bushes will have been properly established for minimum yield. Despite low prices for Robusta and relatively higher prices for Arabica, incomes from the two types, more or less balance out because of the higher yield effect of Robusta compared to Arabica. Better prices for Arabica stem from its inherent quality attributes that result into higher prices than Robustas in world markets.

3.6.6 INCOME COSTS AND PRICES TO COFFEE PRODUCTION, PROCESSING AND MARKETING DURING 2001/2002 COFFEE SEASON

I. INCOMES, COSTS AND PRICES AT FARM LEVEL

A survey on costs of coffee production at farm, processor and export levels was conducted in 2001/2002 with a view of establishing the costs and returns to coffee business at these levels.

Farm level survey was conducted in Masaka and Western Region for Robusta and Bugisu Region for Arabica.

The approach and methodology used was administering structured questionnaires, direct interview with a group of farmers at training sessions, interview with the extension staff and use of secondary data.

For Processors and Exporters, a random sample of respondents from a list of operating dealers was used. Table 3.8 gives results at farm-level and indicates the following:

- The average cost of production of clonal Robusta per hectare was estimated at Shillings 700,000/=, old Robusta coffee at Shillings 280,000/= per hectare and Arabica coffee at Shs 560,000/= as compared to Shs. 610,000, Shs. 230,000/- and Shs. 510,000, respectively the previous year.
- Based on yield and price levels, 4,400 kg- kiboko per ha for clonal Robusta, 1200 kg- kiboko for old Robusta and 700 kg- parchment for Arabica and farm-gate prices at Shs 250/= for Robusta and Shs. 990/= for arabica, Gross incomes per hectare are estimated at Shs. 1,100,000/= for clonal; Shs. 310,000/= for old traditional robusta and Shs. 693,000/= for arabica respectively. The difference is due to variation in yield and farm-gate prices between two periods.
- In terms of costs and margins per kilo the cost of production per kg of clonal coffee came to Shs. 160/=; Shs. 233/= for old Robusta and Shs. 560/= for Arabica, respectively. At these costs per kg, the margin per kg stood at Shs. 120/= (75%); Shs. 47/= (20%) and Shs. 540/= (96%), respectively.

  In summary, the costs of production for coffee during the 2001/02 coffee season can be broken as follows:

  (a) Clonal Robusta labour - 69%, inputs - 17% and equipment depreciation cost -

%; inputs - 21% and equipment depreciation cost - 15%; and

(c) Arabica Labour - 48%; inputs - 28% and equipment depreciation cost - 23%.

Table 3.8 COFFEE PRODUCTION COSTS AND MARGINS: LOW/MEDIUM INPUT FARMERS

Type of Coffee and Cost Details	**Physical**	**Financial**
A: **Old Robusta Coffee**	**Man-days/other**	**Shs**
1: Maintenance Cost: (Weeding, pruning/desukering...)- shs.	120 Man-days	180,000
2. Deprecation of equip. - Shs.		60,000
3. Costs of inputs - shs	-	40,000
Total		**280,000**
Yield/ha./year- kg of kiboko	1200 Kg	-
- Cost per kg- shs.	-	233
- Farm-gate price - Shs/kg.		280
- Farmers' margin - shs./kg		47
- Gross income/ha./year.		**300,000**
-- Net income/ha./year - shs.		**20,400**
B: Clonal Coffee		
1. Maintenance cost	320 Man-days	480,000
2. Inputs cost (pesticides, herbicides, fertilizers)	-	120,000
3. Equipment costs: *(Depreciation)*	-	100,000
Total	-	**700,000**
- Yield/ha/year	-	**4,4 00**
- Cost per kg	-	160
- Farm gate price shs. /kg.	-	250
- Farmer margin	**-**	**90**
- Gross income/ha. /year		**1,100,000**
- Net income /ha./year		**410,000**
C: Arabica Coffee		
1. Maintenance cost:	180 man-days	270,000
2. Inputs costs	-	160,000
3. Equipment- *depreciation cost*	-	130,000
Total		**560,000**
-Yield/ha./year- kg- parchment	1000 Kg.	-
- Cost/ kg – shs.	-	560
- Farm gate price- shs./kg		990
- Farmer margin	-	430
-Gross income/ha./year- shs.	**-**	**990,000**
-Net income /ha./year- shs.	**-**	**133,000**

Note: 1. Clonal coffee considered is at peak harvest in the 3rd and 4th year.
2. For old Robusta Data used is from Masaka Region where infection of coffee wilt is at low density.
(d) A man- day is day worked and is averaged at 6 hours.

The analysis clearly reveals that given the costs and prices, it is no longer viable to continue investing in production of old Robusta because of its low productivity and

e. As indicated before, despite high price differential clonal coffee compensates in the Gross and Net incomes from higher productivity differential per hectare at almost four (4) times that for Arabica.

II. Costs, Prices and Margins to Robusta Coffee Processing in Uganda: 2001/02

Processing costs for robusta in 2001/02 coffee season are summarised in table 3.9. Based on the cost structure, the total processing costs and margin per kg of hulled clean coffee (FAQ) is estimated every coffee season. A random sample of 30-50 processors is used every coffee season to estimate the figures. During the past season, a random sample of 30 processors from central and western regions was used. Sample processors included those with one and two huller capacities operating a period of 6 months, and about 160 days in total per year.

TABLE 3.9 COFFEE PROCESSING COSTS AND MARGINS/KG OF CLEAN ROBUSTA COFFEE

COST PARAMETERS	2000/2001	2001/2002
A: Collection Costs		
(i) Farmer-factory	20.00	15.00
(ii) Commission	10.00	10.00
(iii) Loading and offloading	2.00	2.00
(iv) Cost of Gunny Bags	5.00	5.00
Sub-total (cherry)	37.00	32.00
Clean coffee Beans at (55/54) out-turn	**67.00**	**60.00**
B: Factory Costs (hulling)		
(i) Salaries + Wages	5.00	4.00
(ii) Operational costs	10.00	5.00
(iii) Depreciation costs	15.00	10.00
(iv) Sorting cost at shs. 1000/ bag	17.00	17.00
(v) Processing losses at (1%) FAQ Value	10.00	6.50
(vi) Administrative costs	5.00	2.50
Sub-total	**62. 00**	**45.00**
Total	**129. 00**	**105.00**
Cost of the Money (10)%	**12.90**	**10.50**
Total	**141.90**	**120.50**
Farmer price	**270.00**	**280.00**
Clean equivalent at (55/54)%	491.00	**518.00**
Total Processing cost	**141.90**	**120.50**
Total processor cost	632.00	**630.50**
FAQ Price	**700.00**	660.00
Processor Margin	**68.00**	**30.00**

Source: Coffee Industry Data 2000/2001

Based on costs at processing level, total collection cost was Shs. 60/= and factory costs estimated at Shs. 632/=. This includes the farm-gate price in clean equivalent at Shs. 491/= per kilo, collection costs at Shs. 45/=; giving an overall cost of Shs.120/= as total processing cost. Compared to last year there was little variation in costs. The variation was due to negative response by processors to vigorously engage in business due to the declining world prices from a level of about US $ 540 per tonne at the

about US $ 440 per tonne in the mid of the coffee the coffee year. The only way to remain in business was to cut most of the variable costs, such as administration, operational and salaries and wages. With such reduced costs, processors made a profit of about Shillings 30/= per kg compared to Shs. 68/= the previous coffee season.

Because of stiff competition in the market, most processors who were inefficient in terms of processing economic volumes of coffee lost out of the market. Majority turned their factories to rental basis in attempt to remain in business. Otherwise the processing business remained uncertain due to the depressed world market prices prevalent during the coffee season.

III. COSTS, PRICES AND MARGINS TO ROBUSTA COFFEE EXPORT MARKETING.

TABLE 3.10: ROBUSTA COFFEE EXPORT COSTS, PRICES AND MARGINS

COST PARAMETERS	2000/01	2001/02
A: Collection Costs		
(i) Storage Costs	20.00	5.00
(ii) Commission	20.00	10.00
(iii) Loading and offloading (1000-1500)/bag	2.00	3.00
(iv) Cost of Gunny bags	16.70	20.00
(v) Transport Costs	30.00	15.00
Sub-total (I)	**88.70**	**53.00**
B: Export Grading Cost		
(i) Salaries + Wages	10.00	5.00
(ii) Maintenance cost	10.00	8.00
(iii) Electricity and water	60.00	52.00
(iv) Communication	1.00	1.00
(v) Fumigation costs	10.00	10.00
(vi) Bagging/marking costs	20.00	15.00
(vii) Office/ Rental Costs	5.00	2.50
(vii) Warehouse Costs	5.00	2.50
(viii) Insurance costs	5.00	5.00
(ix) Transport costs	15.00	10.00
(x) Processing losses (1) %	9.00	8.32
Sub-total (II)	**150.00**	**120.00**
Sub-total (III) = (I + II)	**238.70**	**173.00**
Cost of the Money at (10)%	**23. 87**	**17. 30**
Sub-total (IV) =	**262.57**	**190.00**
C: - FAQ Price (Shs)	640	660.00
- Export Processing Costs	262	190.00
Total Exporter Cost	**902**	**850.00**
- Export Price US$/kg	0.54	0.48
- Exchange rate US$/Kg	1750	1850
- Export receipts	945	880.0
** **Exporter margin**	**43**	30.00
- Less 1% Export Value as Cess	10	10.00
** Net **margin**	**33**	**20.00**

Source: Coffee Industry Data 2000/2001

A random sample of 10 exporter sites was drawn and data on costs updated for

e quoted per tonne, thus showing little variation in sons. Results are summarised in the table 3.10.

The total collection costs from the buying centres to exporter level worked out to Shs. 53/= per-kilo; export grading cost Shs. 120/=; giving overall export marketing cost of Shs. 190/= per-kilo compared to Shs. 88/=; Shs. 150/= and Shs. 262/= respectively for the previous coffee season.

The relative change in the cost structure is due to adjustment made by exporters in response to reduced prices offered by buyers. The business profit margin remained at critical minimum for smaller and medium exporters, leading to most of them abandoning the business, as they could no longer make any meaning profits.

The large and efficient exporters are the ones who remained in the business with minimal profits because of their direct linkages with trade houses and roasting outlets overseas.

On the average export price of 48 US cts/kg realised for robusta coffee during the coffee season, the export proceeds in Shs. (at average exchange rate of 1850/= per dollar) is estimated at Shs. 890 per kilo. At total exporter cost (collection cost Shs. 53 + grading cost Shs. 120 and FAQ price of Shs. 660), which equates to Shs. 833/=. The margin per kg of exported clean robusta coffee came to Shs. 30. With a cess of 1% on export price, the net margin per kg for the industry came to Shs. 20, compared to Shs. 33 the previous coffee year.

Compared to the past three coffee seasons, the export business had reached an economic threshold level for profit making. Any further decline in world coffee prices would have seen exporters, processors and farmers completely abandoning coffee business and the implication to the economy, which largely depend on coffee for foreign exchange, would be catastrophic.

IV: COSTS, PRICES AND MARGINS TO ARABICA EXPORTER 2001/02

A sample of 5 progressive exporters was used in the survey. Results are summarised in Table 3.11.

The total collection cost for clean arabica equivalent at 80 percent out-turn is estimated at Shillings 73.70/=; and Shillings 185.93/= as export process and grade costs per kg of clean. The two cost components give an amalgamated cost of Shs. 285.59= at factory level, compared to Shs. 407/= the previous coffee year.

The cost reduction in the structure is due to increased integration of market operations in an effort to reduce costs and operate at a profit by most exporters in response to reduced price levels.

Bugisu Co-operative Union still remains the biggest arabica coffee processor/exporter in the country. Despite having the biggest installed capacity in terms of machinery and other infrastructure, operational costs remain relatively higher due to under capacity

The entry of new competitors in the liberalised ations of Bugisu Co-operative Union more expensive. For other exporters however, they entered the industry with low cost, highly efficient machinery, which makes their business competitive and profitable even at very low, out-turn. Their level of expenditure is highly flexible and depends on the scale of operation. The recent adjustments made by Bugisu Union by renting out some of its fixed assets that used to depend on coffee marketing has made it remain competitive.

TABLE 3.10: ARABICA COSTS, PRICES AND MARGINS TO PROCESSING: 2001/2002.

COST PARAMETERS	2000/01	2001/02
A: Collection Costs (Parchment)		
(i) Storage Costs	22.00	20.00
(ii) Commission	20.00	15.00
(iii) Loading and offloading	2.00	2.00
(iv) Cost of Gunny Bags	16.70	16.70
(v) Transport Costs	23.00	20.00
Sub-Total (I)	**83.70**	**73.70**
At out-turn 80%	**104.00**	**92.125**
B: Export Processing Costs		
(i) Depreciation cost	10.00	10.00
(iii) Electricity and water	60.00	30.00
(iv) Communication	1.00	1.00
(iv) Fumigation costs	10.00	5.00
(v) Bagging/marking costs	20.00	15.00
(vi) Processing losses 1.0%	22.10	14.00
(vii) Salaries and Wages	45.00	10.00
(ix) **Office**/Rental costs	1.00	1.00
(xi) Ware housing costs	25.00	15.00
(xii) Insurance costs	5.00	5.00
(xiii) Transport costs	25.00	5.00
(Xiv) Factory operational costs	25.00	15
Sub-total (II)	**266.50**	**126**
Add (I + II)	**370.00**	**218**
Add cost of the money at (10)%	**37.00**	**22**
Total	**407.00**	**234**
C: - Parchment Price (Ushs) -	1,300	990
Clean equivalent at 80% out-turn -	1625	1,238
Export processing costs	**407**	**234**
- Total exporter costs	**2032**	**1,471**
- Export Price US $/kg	1.36	0.84
- Exchange rate US$/Kg	1,600	1,850
-Export receipts	2,176	1,554
** **Exporter margin**	144	**83**
- Less 1% Cess of Export Value	22	**16**
** Net **margin**	**122**	**67**

Note:

1. The average export price is a weighted average for the premium grades of Bugisu.
2. Business at export is vertically integrated, hence a reduction in costs in the current year.

Note: Some cost have been aggregated in the above structure, reflecting recent changes in coffee market conduct.

Based on average price estimates of arabica clean coffee of Shs. 1,238/= at 80

export grade cost of Shs. 234/=; the total exporter = per kilo of arabica clean. At average export price of US $ 0.84 /kg of clean arabica or Shs. 1,554/= (at an exchange rate of 1,850/= per $), with 1 percent cess, the net profit margin per Kilo was estimated at Shs. 67/= compared to Shs. 122 = per kilo in the previous coffee season.

CHAPTER FOUR

QUALITY AND REGULATORY

4. 1.1 TECHNICAL EXTENSION SERVICES

Routine field visits were undertaken to render technical advice to sector participants in all the coffee growing districts. During the visits, the participants were advised on the implementation of Good Harvesting Practices, Good Handling Practices and Good Manufacturing Practices for the production and maintenance of good quality coffee. The coffee processors and traders were particularly shown the correct use of moisture analysers. The employment of Good Hygienic Practices was emphasised at all levels of the production chain. Over 250 buying stores, 300 dry processing factories, 25 pulperies, 28 export grading plants, 33 exporting companies, and 7 roasters were visited.

4.1.2 QUALITY IMPROVEMENT/AWARENESS CAMPAIGN

UCDA continued to collaborate with the local authorities to sensitise the sector participants on quality awareness/improvement strategies. In particular, measures aimed at curbing the processing of wet kiboko and/or parchment and the subsequent sun drying of the FAQ in unsuitable drying yards leading to quality deterioration at the primary level were employed. The adulteration of FAQ with BHP, blacks and other non-coffee material by some dealers were also noted in some areas at the primary processing level. The measures included suspension of the operations of the culprits and in some cases impounding the coffee from the dealers involved in the practice.

At the export level, the purchase and processing of improperly dried FAQ were noted as the major problem to the coffee quality. This problem was largely addressed by implementing in-process control measures and by having UCDA quality controllers stationed at the export grading factories.

4.1.3 FIELD QUALITY EVALUATION

Based on the out-turn and screen size distribution parameters, an evaluation of the quality at the primary processing level was made in the coffee growing districts. Table 4.1 shows the comparative field quality evaluation for natural Robusta over the past five years. Kiboko samples were analysed at the UCDA laboratory at moisture content of less than 12.5 % and the FAQ was not sorted by density.

The results indicate a good yield in terms of outturn and screen distribution in most areas. The Busoga region in particular harvested a good crop, which in many areas was better than in the central zone while the western zone showed an average yield and screen distribution. The Southwestern and Masaka zones generally had a good crop almost similar to that of the previous seasons.

PERCENTAGE OUT-TURN AND SCREEN SIZE
ON OF NATURAL ROBUSTA.

COFFEE ZONE*	YEAR	OUTTURN	1800	1500	1200	<12
1. SOUTH WESTERN	19 97/98	56.1	14.1	67.5	17.6	0.8
	1998/99	54.9	8.5	63.5	27.3	0.7
	1999/00	54.7	8.9	66.2	23.0	1.9
	2000/01	57.2	11.6	70.3	17.6	0.5
	2001/02	57.3	11.3	69.6	17.5	1.6
2. WESTERN	19 97/98	54.5	11.5	65.2	22.5	0.8
	1998/99	50.1	6.9	54.3	36.6	0.2
	1999/00	53.7	9.2	63.1	25.8	1.9
	2000/01	53.9	6.7	55.0	36.2	2.1
	2001/02	56.8	9.7	66.4	23.1	1.0
3. MASAKA	19 97/98	56.3	14.9	67.5	17.2	0.4
	1998/99	52.8	6.5	56.4	34.9	2.1
	1999/00	55.1	8.9	66.2	23.0	1.9
	2000/01	57.6	14.9	68.6	15.7	0.8
	2001/02	57.3	12.9	65.6	20.3	1.2
4. CENTRAL	19 97/98	56.2	14.4	67.9	17.4	0.3
	1998/99	52.2	9.3	59.1	30.1	1.5
	1999/00	54.3	10.8	65.1	22.9	1.2
	2000/01	55.6	7.8	64.3	26.2	1.7
	2001/02	56.5	12.2	67.0	20.7	0.1
5. EASTERN	19 97/98	55.1	12.8	64.6	21.8	0.8
	1998/99	51.5	6.6	57.6	34.2	1.6
	1999/00	55.4	9.5	63.7	25.6	1.2
	2000/01	50.0	7.0	57.5	34.1	1.4
	2001/02	57.8	11.8	69.0	18.5	0.7

*Robusta coffee zones comprising the following districts.

SOUTH WESTERN - Ntungamo, Mbarara, Bushenyi, Rukungiri & Kasese
WESTERN - Kabarole, Kibaale, Hoima, Kiboga & Mubende
MASAKA - Masaka, Rakai, Sembabule & Kalangala
CENTRAL - Mpigi, Wakiso, Luweero & Mukono
EASTERN - Jinja, Iganga, Kamuli & Bugiri districts.

Table 4.2 shows the comparative outturn for Washed Arabica coffee over the past five years. The results show an average outturn in Mbale, Kapchorwa, Nebbi and Kisoro. The outturn for Kisoro was very impressive given coffee is just being introduced in the area.

TABLE 4.2 COMPARATIVE OUTTURN OF WASHED ARABICA: 1995/96 - 2001/2002.

AREA	95/96	96/97	97/98	98/99	99/2000	2000/1	2001/2
1. Mbale	82	80	81	81.3	82.4	79.9	81
2. Kapchorwa	81	78	80	81	82	80.5	81
3. Nebbi	80	77	79	80	80.1	80	80
4. Kisoro	-	-	-	81	81.4	81.1	81.8

4.1.4 REGISTRATION

During the year, a total of 310 sector participants were registered during the year as shown in Table 4.3. The continued decrease in the registration of hulleries could be attributed to the persistent low profit margins on the internal market.

S OF SECTOR PARTICIPANTS OVER THE YEARS

	1997/8	1998/9	1999/0	2000/1	2001/2
1. Exporters	46	40	35	29	33
2. Export grade factories	29	30	27	27	28
3. Hulleries	382	364	284	224	215
4. Buying Stores*	269	286	69	33	28
5. Roasters	6	7	5	3	6
Total	732	727	419	316	310

* Since the 2000/01 season, registration of buying stores was divested to local authorities.

Four new exporters were registered for export marketing, making the total of registered for the year reach 33, as shown in Table 4.4. The number of renewals and total registered exporters also increased over the previous season.

TABLE 4.4 COMPARATIVE REGISTRATIONS AND ACTIVE NUMBER OF EXPORTERS OVER THE PERIOD: 19974/95 - 2001/2002.

CATEGORY	1994/95	1995/96	1996/97	97/98	98/99	1999/00	2000/01	2001/02
1. REGISTRATION								
a) Renewals	64	64	50	39	33	30	26	29
b) New	53	30	10	7	7	5	3	4
c) Total	117	94	60	46	40	35	29	33
Cumulative	139	169	179	186	193	198	201	205
2. PERFORMANCE								
a) No. Exporting	76	78	58	42	38	32	24	29
b) No. Dormant	41	16	2	4	2	3	5	4
c) % Age Active	65	83	96.7	91.3	95	91.4	83	87.9

4.2 COFFEE EXPORTS

4.2.1 EXPORT PRE-SHIPMENT INSPECTION, EVALUATION AND CERTIFICATION

During pre-shipment inspection and evaluation of export lots, a total of 3,146,381 bags were exported and a total of 13,956 Quality Certificates and ICO certificates of origin were issued during the year. Table 4.5 shows the comparative number of Export Documents issued in the period 1997/98 to 2001/2002 seasons.

Table 4.5 EXPORT DOCUMENTS ISSUED AND EXPORT VOLUME: 1997/98 - 01/02

DOCUMENT ISSUED	1997/98	1998/99	1999/00	2000/1	2001/2
1. Quality Certificate	5,766	7,192	6,114	6,967	7,297
2. ICO Certificates of Origin	6,330	7,375	7,713	6,784	6,659
3. Volume of exports (bags)	3,032,338	3,647,969	2,917,257	3,074,773	3,146,381

4.2.2 COFFEE REFERRED FOR REPROCESSING

A total of 48,097 bags were referred for reprocessing to the required standards during the year, largely of the account of faults shown in Table 4.6 below in bags.

Table 4.6 COMPARATIVE FIGURES OF DEFECTS IN REFERRED COFFEE

FAULT	1997/98	1998/99	1999/00	2000/01	2001/02

		81,028	43,110	73,657	26,163
		26,360	26,817	30,299	6,600
3. Discoloured & blacks	162,197	43,159	13,785	45,235	9,374
4. Floats/BHP	37,415	8,869	900	1,850	3,840
5. Pods	38,749	14,316	280	2,308	680
6. Extraneous matter	10,552	4,670	300	820	1,440
TOTAL	424,660	178,402	85,192	154,169	48,097

There was a marked decrease in the number of bags referred for reprocessing. This could be attributed to improved quality awareness and in-process quality control measures at the export grading plants. As in the previous season, the major cause for referrals was wetness accounting for almost 54.4%, followed by discoloureds/blacks and low retentions. The substandard coffee was later dried and/or reprocessed to export standards before allowing it for shipment

4.2.3 LIQUOR OF EXPORTED COFFEE

Table 4.7 shows the summary of liquoring report for the various exported coffee grades. The cup taste for all the exported coffee grades was generally clean. As expected the cup was superior for washed coffees over the naturals**.** The detailed report in shown in Annex 4.1 to 4.25.

TABLE 4.7-CUP TASTE OF EXPORTED COFFEE IN 2001/2002 SEASON

TYPE	GRADE	% AGE CLEAN
1. Bugisu Arabica	AA	99.3
	A	98.6
	AB	93.5
	B	97.7
	PB	96.6
2. Organic coffee	Bugisu Arabica	100
	Okoro Arabica	89.3
	Robusta	91.8
3. Other Arabicas	Wugar	95.2
	Drugar	84.5
4. Natural Robusta	Sc 12	87.4
	Sc 13	88.1
	Sc 14	83.4
	Sc 15	87.1
	Sc 17	87.7
	Sc 18	88.2

Table 4.8 shows the summary of cup defects during the year. Earthiness followed by

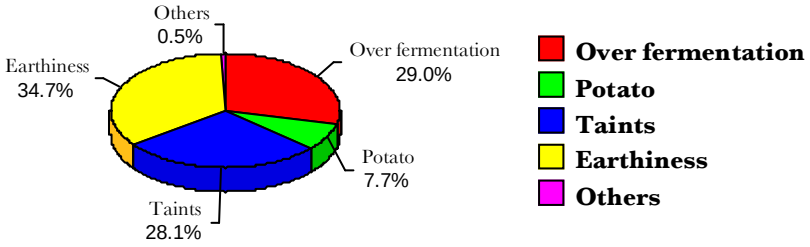
ntinue to be the major defects. All these defects are
g and storage practices.

Table 4.8 SUMMARIES OF CUP DEFECTS.

MONTH	OT	DEFECTS					TOTAL	
		POTATO	TAINT	EARTHY	OTHERS	TOTAL	CLEAN	CUPS
Oct	51	3	33	42	-	129	1,320	1,449
Nov	61	8	58	48	-	175	1,120	1,295
Dec	26	16	54	65	-	161	1,778	1,939
Jan	36	13	53	43	2	147	1,666	1,813
Feb	50	16	63	87	2	218	1,539	1,757
Mar	57	8	53	36	-	154	1,015	1,169
Apr	63	23	55	93	-	234	1,285	1,519
May	82	26	86	112	-	306	1,682	1,988
Jun	70	22	54	91	7	244	2,031	2,275
Jul	91	20	53	94	1	259	2,158	2,417
Aug	10	-	9	11	-	30	238	268
Sep	45	15	50	45	-	155	1,343	1,498
Total	642	170	621	767	12	2,212	17,175	19,387
% Age	3.3	0.9	3.2	4	0.06	11.5	88.5	100

Chart 4.1 below shows the percentage defects in the standard grade Robusta cup during the year.

Chart 4.1 Defects in the cup taste



The comparative percentage of the defects found in the Standard Robusta grade liquored coffee over the years is shown in Table 4.9

EFECTS IN THE NATURAL ROBUSTA COFFEE.

		1998/99	1999/00	2000/01	2001/02
1. OVER FERMENTATION	39.8	35.4	34.1	25.4	29
2. EARTHY	21.9	23.5	26.5	8.1	34.7
3. POTATO	13.1	8	9.3	33.9	7.7
4. TAINTS	22.5	28.2	27.4	30.2	28.1
5. OTHERS*	2.7	4.9	2.7	2.4	5

* OTHERS include Woody, Winey, Bitterness, Harsh, Fruity, Grassy and Musty.

4.3 PROJECTS

4.3.1 COFFEE QUALITY ENHANCEMENT THROUGH PREVENTION OF MOULD GROWTH

Research

Research in the distribution of the OTA producing fungi in the farm ecosystem and their persistence during post harvest handling and processing continued. Experiments were also done using several drying techniques to determine the optimal drying technique to be employed at the farm.

Training

A two-week mycology-training workshop was held at the Coffee Research Foundation Ruiru, Kenya in April 2002. Participants were drawn from Uganda, Kenya, Tanzania and Cote D'Ivoire. The objective of the workshop was to harmonise the mycological analytical methodologies so as to have universally interpretable results.

Equipment received under the project

More equipment including an autoclave, compound and dissecting microscopes, water activity meter, glassware and consumables were acquired under the project. The moisture analysers are currently used by the district coffee co-ordinators in the field inspections.

4.3.2 SPECIALTY AND GOURMET COFFEE:

Exports of Uganda coffee to the international Specialty market over the years are shown in Table 4.10.

TABLE 4.10 COFFEE SALES TO SPECIALTY MARKETS

COFFEE SEASON	SALES (60 kg bags)
1994/95	0
1995/96	1,200
1996/97	4,500
1997/98	5,175
1998/99	7,590
1999/2000	4,010
2000/2001	10,136
2001/2002	6,560

red under the organic coffee programme reached 15,000 after including farmers in Kikyusa subcounty in Luweero district. The participating districts are Mbale, Sironko, Kapchorwa and Nebbi for Arabica and Bushenyi and Luweero for Robusta. 5,620 bags of organic coffee comprising 4,180 bags of Arabica and 1,440 bags of Robusta were sold to the international market at an average premium of 25 cts/lb.

4.3.3 PROMOTION OF WASHED COFFEE

Through the strategic intervention of GOU in value addition, a total of 16 wet processing lines were imported from Pinhalense, Brazil. This equipment is designed to produce washed coffee with mechanical mucilage removal thus saving the time required using the traditional fermentation process. Ten processing lines of 1.0 T/hr and 6 lines of 3.5 T/hr were received in August/September 2002. The equipment has been allocated to 10 districts in both the Robusta and Arabica coffee growing districts.

4.4 TRAINING

During the year, a total of 34 participants were trained in basic quality control systems. Of these, 22 were from the industry and 12 from institutions of tertiary learning.

Table 4.11 NO. OF TRAINEES IN THE BASIC QUALITY CONTROL COURSE

YEAR	INDUSTRY	INSTITUTIONS	TOTALS
1993/94	5	-	5
1994/95	14	4	18
1995/96	24	-	24
1996/97	21	14	35
1997/98	4	4	8
1998/99	13	17	30
1999/2000	56	17	73
2000/2001	19	29	48
2001/2002	22	12	34
TOTAL	**178**	**97**	**275**

The course has continued to attract students from the faculty of Food Technology MUK. In addition, the beneficiaries of the six large wet processing mills were trained in Basic Quality control before proceeding for their study tour in Brazil facilitated by the equipment manufacturers.

CHAPTER FIVE

COFFEE RESEARCH

5.1 INTRODUCTION

The research activities reported under this chapter were carried out at the Coffee Research Institute (CORI), Kituza in Mukono district. Research programmes continued to focus on the coffee wilt disease (CWD) under the project "Management of Coffee Wilt Epidemic in Uganda".

5.2 RESEARCH GOAL AND OBJECTIVES

The goal of coffee wilt research is to reduce losses due to the disease, thus reducing poverty and enhancing food security at farm and national level. The specific objectives are to:

- Quantify losses due to the CWD at farm and national level;
- Conduct training and sensitisation of stakeholders on the importance of CWD and the options available for its management;
- Carry out studies on the ethiology, pathogenesis and epidemiology of CWD;
- Evaluate effectiveness of available control measures, and to devise procedures for chemical and cultural control of CWD;
- Screen coffee germplasm for resistance/tolerance against CWD;
- Breed for resistance/tolerance against CWD; and
- Rapidly multiply, transfer and distribute appropriate technologies to combat CWD and its effect.

5.3 RESEARCH FOCUS

The major areas of focus in coffee wilt research are:

i. Multiplication, transfer and distribution of appropriate technologies for combating CWD:
ii. Studies of the ethiology, pathenogenesis and epidemiology of CWD:
iii. Screening coffee germplasm for resistance to CWD:
iv. Adaptation trial for new clonal varieties of Robusta coffee:

5.4 ACHIEVEMENTS

5.4.1 Aerial and baseline surveys of Coffee Wilt Disease (CWD) in Uganda

The surveys were undertaken to gather baseline information on environmental, physical and agronomic parameters that affect coffee wilt disease incidence and

to identify socio-economic factors influencing the nent of the disease (Socio-economic survey).

The remote sensing was done in the districts of Mukono, Mubende and Kyenjojo during the period 15 January - 8 February 2002. Biological and Socio-economic surveys were carried out and completed during the period January – March 2002. These were done in 21 districts of Eastern, Central and Western Uganda.

The remote sensing data and information captured ground truth information records on crops and landscape, coffee trees architecture and sanitary status, leaf area index and crops spectral properties measurement. Concurrently, flybys by Borstad and Associates acquired CASI hyper spectral images.

Computer entry of the biological and socio-economic survey data and the preliminary analysis were also completed. Review of the result of the preliminary analysis of the biological data, and refining the analysis procedures have been done.

5.4.2 Multiplication, transfer and distribution of appropriate technologies for combating CWD

(a) Multiplication and transfer of lowland wilt resistant Arabica coffee varieties:

Steady progress has been made in the multiplication of lowland arabica coffee varieties for trials in wilt affected areas. Currently over 30,000 seedlings are at Kituza nursery and another 5,000 at Bugusege.

On-station trials have been planted at Kacwekano and Mukono ARDCs, while plans have been made for planting at Abi ARDC in the next rainy season.

On-farm trials have been initiated in the districts of Rukungiri (4), Bushenyi (2), Wakiso (5), Mukono (5), Mbale (7), Busia (1), Tororo (1) and Masaka (1). More farmers have been identified in the districts of Mpigi and Kyenjojo.

Mother bushes of Ruiru 11 have been planted at Kituza (800), Bugusege (300) and Buginyanya (300). Cloning of this variety for planting in highland areas where CBD is prevalent has begun at Kituza.

(b) Multiplication of wilt resistant robusta coffee lines:

167 wilt resistant clones were planted in a mother garden. 383 cuttings were harvested from 60 of the wilt resistant robusta mother bushes and were raised in a coffee nursery shade at Kituza.

Multiplication of the resistant lines using tissue culture was also initiated.

(c) Multiplication of wilt resistant Arabusta coffee clones:

50 mother bushes of each of 10 selected Arabusta clones have been planted in a mother garden at Kituza. 958 cuttings were harvested from 8 out of the 10 wilt resistant clones and planted in nursery cages at Kituza. 89 cuttings were removed

field planting. 344 cuttings of current commercial ted in the nursery to raise controls for field trials with the emerging wilt resistant lines. 89 plants of the commercial lines are ready for inclusion in field trials. Multiplication of resistant Arabusta lines using tissue culture has been initiated.

(d) Multiplication of current commercial coffee (arabica & robusta) lines for planting in wilt free areas

Construction of a nursery shade at Bugusege and an additional shade at Kituza was initiated. 5 kg of robusta seed has been planted at Kituza nursery and 10 kg of arabica was sown at Bugusege. 70,000 robusta coffee seedlings were transplanted at Kituza and together with 20,000 transplanted earlier were maintained (watering, weeding) in the nursery shade and among them, 60,000 seedlings are ready for sale in the second rains of 2002. 6,100 cuttings of robusta were planted under cages in the nursery at Kituza. 385ks of robusta coffee seed and 10kg of arabica were processed from the fly crop and supplied to farmers.

5.4.3 Screening robusta coffee germplasm for resistance against coffee wilt disease:

The rehabilitation of the germplasm plots have been completed and construction of the nursery facility for raising coffee plants for inoculation was also accomplished. 2,779 seedlings belonging to 82 robusta coffee progenies in the collection at Kawanda have been maintained in the nursery at Kituza. Additional 11,078 seedlings belonging to 22 clones were transplanted from seedbed into pots. 1,106 cuttings belonging to the 22 clones were planted in nursery cages at Kituza. 10,502 cuttings of 110 clones among the germplasm at KARI were planted in the nursery cages at Kawanda. A Memorandum of Understanding (MoU) for importation of exotic germplasm from Ivory Coast has been initiated.

5.4.4 Field evaluation of newly selected robusta coffee lines:

The newly selected varieties have shown variation in response to CWD under field conditions. CWD incidence varied from 0 to 87.5% among the clones. CWD incidence on test varieties B/2/1, P/5/1, H/4/1, P/5/6, C/1/7, E/3/2, Q/1/1 and Q/6/1 and control variety 257/53 ranged from 50 to 87.5%. These varieties are very susceptible to CWD under field conditions at Kituza. Test varieties G/3/7, L/2/7, B/1/1/ and R/1/4 and control variety 223/32 are moderately susceptible with disease incidence of >20%<50%. Test variety C/6/1 and control varieties 1s/2 and 1s/3 are fairly resistant to CWD with incidences of >5% <20%. Test varieties J/1/1 and Q/3/4 have so far shown resistance with disease incidence of 0 and 4.2% respectively. The trial was replicated at Kabohe in Bushenyi district but CWD has not been observed here. Results from the Bushenyi trial will validate the observations at Kituza. If the trends are the same, then the resistant varieties J/1/1 and Q/3/4 will

the national replanting programme if their response y are found satisfactory.

Table 5.1 Yield (2001/2002) and incidence of Coffee Wilt Disease ((1997-June 2002) in a robusta variety trial at Kituza

	Variety	Mean infected & dead plants	% Incidence	Mean yield (01/02)
1	P/5/1	5.5a	70.8	-
2	H/4/1	5ab	87.5	-
3	P/3/6	5ab	57.5	646.6bcd
4	B/6/2	5ab	75.0	-
5	C/1/7	4abc	58.3	194.2def
6	257/53	4abc	70.8	53.25f
7	E/3/2	4abc	79.1	-
8	Q/1/1	3.5bc	75.0	392.5def
9	Q/6/1	3cd	75.0	640.7bcd
10	B/2/1	3cd	50.0	98.8ef
11	223/32	3cd	41.7	195.0def
12	G/3/7	3cd	41.7	125.0ef
13	L/2/7	1.5de	33.3	126.1ef
14	B/1/1	1.5de	46.8	467.0cdef
15	1S/2	0.5e	12.5	589.9bcde
16	C/6/1	0.5e	16.7	1436a
17	1S/3	0.5e	12.5	900.9bc
18	Q/3/4	0.5e	4.2	446.6cdef
19	R/1/4	0.5e	47.5	651.5bcd
20	J/1/1	0e	0	999.9ab
	LSD	**1.938**		**447.6**
	C.V	**34.6%**		**42%**

N.B: Mean separation is by Duncan's Multiple Range Test

5.4.5 Studies on etiology, pathogenesis and epidemiology of CWD.

(a) Collection of isolates for cultural and genetic diversity studies:

Isolates of *F. xylaroides* were obtained from 10 coffee genotypes at Kituza, and are in storage as mono-conidial cultures. Also in storage as single spore cultures are isolates from different robusta districts in Uganda. Over 100 such isolates are available for diversity studies, screening breeders' materials and for pathological studies.

Wilt symptoms were observed on *Coffea kapagota* in the CORI coffee collection at KARI. *F. xylaroides* was isolated from diseased stem and branches. This is the first time the disease has been observed on a different coffee species other than *Coffea canephora.*

(b) Cultural characteristics of 16 isolates of *F. xylarioides* on PDA and SNA:

The experiment was an attempt to define media that could give distinctive cultural characteristics, which would enable isolates to be clearly differentiated.

mycelium density and pigmentation on both media. pale orange/peach to orange colour both on reverse and right of petri dish. In some isolates intensity of colour increased with age of culture.

There were no significant differences in spore lengths and widths on both media (P= 0.01). However, there were significant differences in sporulation among isolates. Some isolates produced a vast amount of microconidia in slimy pionnodes. Generally, the isolates produced a larger number of microconidia than macroconidia.

Growth rate was generally slow on both media with very little variation. The differences in growth rate among isolates on both media were too small to qualify as criteria for separation into strains. There were some slight differences in mycelial growth on the two media. There was higher mycelial density on PDA than on SNA.

During these studies no sexual spores were formed in culture. However, under field and screen house conditions, perithecia formed abundantly on the stems of infected plants soon after death of plants.

The morphological and cultural characters examined were very similar and therefore inadequate for separation of the isolates.

(c) Seed transmission of CWD and effect of CWD on seed germination and growth of seedlings:

In previous experiments, seeds from wilting robusta trees consistently had poor germination. Similarly, in this attempt, seed germination was much lower than from seeds obtained from healthy plants.

Table 5.2 Effects of CWD on coffee seed germination

Sampling location	Rate of germination (%) of coffee seeds (200 seeds) from coffee trees at varying levels of CWD infection		
	Healthy trees	Mildly diseased trees	Severely diseased/dying trees
Mukono (Kituza)	77.0	56.0	46.5
Mityana	84.2	52.5	40.3
Sembabule	81.5	63.5	43.2
Masaka	79.4	65.0	37.5
Kayunga	83.1	61.4	36.4

No wilt pathogen was detected on coffee seed surfaces using the blotter or agar plate

sources were left to grow for over a period of 12 ptoms developed. However, growth rate was higher in seedlings from healthy trees than diseased trees. Growth measurement over time revealed that plants from diseased trees were stunted and had reduced growth rate compared to seedlings from healthy trees. These observations are illustrated in Tables 5.2 and 5.3.

Table 5.3: Comparison of growth rate (height in cm) of robusta coffee seedlings from seeds of healthy, mildly diseased and severely diseased trees affected with CWD (Planted November, 2001).

Source of seeds	Mean seedling heights (cm)		
	April, 2002	May, 2002	June, 2002
Healthy trees	6.25	6.78	7.08
Mildly diseased trees	5.83	6.22	6.75
Severely diseased trees	3.66	4.06	4.25

Means are for 20 plants for each category of seed source.

From the 15 coffee samples collected from different areas within the robusta districts, no evidence was found to support seed transmission of *F. xylarioides*

(d) Leaves **and coffee husks as sources of inoculum for CWD:**

In a study conducted at Kituza, symptoms developed in 5% of seedlings planted in soil incorporated with coffee husks 55 – 60 days from planting. Seedlings planted in soil incorporated with wilt infected leaves also developed typical wilt symptoms in 2% of planted seedlings 65 – 70 days from planting. These findings reveal that coffee husks and infected leaves can provide primary inoculum for CWD from which secondary inoculum is derived for further spread of the disease. Although the primary inoculum seems low, it has a tremendous multiplier effect. Leaf fragments were examined for presence of the wilt pathogen and the pathogen was recovered only from the leaf veins, and was most abundant in the mid ribs.

(e) Assessment of forest coffee as source of inoculum:

It was found that at CORI, forest coffee harbours CWD since most of the coffee plants in the forests had symptoms and *Fusarium xylarioides* could be easily isolated. However, in Mubende forests, forest coffee is often used as planting materials at a young stage and therefore less diseased trees were found in the forests.

(f) Assessment of alternate hosts for CWD:

When isolation of the CWD pathogen was done from wilted Kayinja plants, which were adjacent, to wilted coffee trees from all the districts surveyed, only *Fusarium oxysporum* pathogen was isolated. Additionally, no *Fusarium xylarioides* was isolated from non-affected Kayinja trees adjacent to wilted coffee trees, nor from all adjacent weeds or crops, and therefore, no evidence of Kayinja or other crops and weeds as alternate

evealed presence of the pathogen on Kayinza at sites
erani, 1999).

(g) Development of CWD under different soil fertility levels:

It was evident that disease incidence was almost similar regardless of different soil fertility levels. However, some level of delayed disease severity was observed among high Manure: soil / sawdust treatment ratios. It is suggested that this could be due to high nutrient levels in these treatments, which may have contributed positively to high plant vigour. However, observations showed that with time all the affected plants died.

5.4.8 Contribution of insects, pests, soil nematodes, rodents and other organisms to the spread of CWD in Uganda (Vector Studies)

This study was designed to identify any insects and other fauna vectors of CWD. Several samples of coffee insect pests, beneficial insects such as pollinators and predators, and nematode collected from various locations have been studied at CORI. By far, the coffee wilt pathogen has not been isolated from the samples, implying that they are not vectors of CWD. The study is to continue to cover many other common fauna of the coffee shamba.

5.4.9 Farmer participatory evaluation of coffee production in non- traditional coffee growing areas

A survey trip was made in June 2002 to the northern districts of Lira, Apac and Gulu. Many nursery operators did not appear to have sufficient knowledge of good nursery practices such as the use of appropriate nursery shade although some had good practices. Coffee wilt disease was unknown in these areas but there was need to sensitise all stake holders about the importance and preventive measures for control of the disease. There was also inadequate knowledge on improved field management of coffee. A significant number of clonal coffee trees planted in early 1980s were sun scorched to death. Although samples were obtained only from three farmers, they all contained infestation of coffee berry borer. The important constraints to address were inadequate rainfall (less than 1000 mm of rainfall per year) and low nutrient content of soils. There is need for CORI to have collaborative research work on coffee in the north with Ngetta ARDC and FORI on the role of Agroforestry in improvement of coffee production.

CHAPTER SIX

ADMINISTRATION AND MANAGEMENT

6.1 UCDA BOARD/MANAGEMENT RETREAT

The UCDA Board and management had a retreat at Uganda Martyrs University (UMU), Nkozi from April 25 to April 28, 2002. The theme of the retreat was *"Corporate Governance: Developing the coffee sub-sector, for Poverty Alleviation."*

During the retreat, the Board reflected on a number of issues that are affecting the profitability and competitiveness of the coffee sub-sector, which include the plummeting coffee prices on the global and local markets, coffee wilt disease, low productivity and deteriorating quality, among others. All this was against the background of the significant role that coffee plays both at the micro and macro levels in the Ugandan economy.

The retreat also provided an opportunity to the Board, then barely six months old, together with management to be introduced to the respective complementary roles in corporate governance and leadership.

The Board devoted time to review the UCDA structure based on recommendations of the UMU consultants. The new structure was meant to attain maximization and improvement of the productivity of members of staff and to achieve better delivery of services to the sector participants.

6.2 IMPLEMENTATION OF THE CHINA PROJECT

The 3rd prime Minister and minister for Foreign Affairs Hon. James Wapakhabulo presided over the launching of the joint venture company, Beijing Chenao Coffee company Ltd., (BCCCL). The launching took place at the Beijing Convention Center on April 03, 2002. Share holding of the joint venture is 51% for UCDA and 49% for BNSIG.

To witness the occasion were Mr. Paul Mugambwa, Chairman UCDA Board, Hajji Ishak Lukenge, member of the Board and Mr. Henry Ngabirano, Managing Director. The trio comprises Uganda's representation on the Board of the Joint Venture Company.

Other dignitaries present included the Ambassadors of Uganda, Kenya and Tanzania in China, the Vice Mayor of Beijing city, Ugandan embassy staff and other Ugandans resident in China.

The joint venture will initially operate coffee shops that will be catalysts for promotion of Uganda coffee in the potentially large Chinese market.

(i) Two Ugandans namely, Mr. Solomon Rutega Sabiti and Mr. Dick Wadada were appointed as Deputy General Manager and Production Manager respectively. They constitute part of a staffing team of 6 managers and 5 support

...ts with BCCL, Mr. Rutega worked as Executive Director of Uganda Coffee Federation (UCTF) while Mr. Wadada was a Principal Quality Controller at UCDA.

6.3 INITIATION OF WET COFFEE PROCESSING PROJECT.

UCDA initiated the re-introduction of wet coffee processing in Uganda as one of the means to solve the problem of Uganda's deteriorating coffee quality.

The funds to purchase six units of large equipment of pulping capacity 3.5 tons of fresh cherry per hour and ten units of smaller equipment of pulping capacity of 1.0 ton of fresh cherry per hour were provided by the Government of the Republic of Uganda through strategic Intervention on Coffee.

The Equipment is worth United States dollars 459,260/= and is to be leased to capable private sector participants in both Arabica and Robusta coffee growing districts countrywide.

DFCU leasing company was contracted to manage the lease arrangements while the speed project of USAID, will offer technical assistance to the beneficiaries.

THE FOLLOWING PRIVATE SECTOR PARTICIPANTS HAVE BEEN ALLOCATED THE EQUIPMENT: -

	PULPING CAPACITY	NAME	DISTRICT
1	3.5 Tonnes	Kibinge Coffee Farmers' Association	Masaka
2	3.5 Tonne	Savannah Commodities Company Ltd..	Mbarara
3	3.5 Tonne	Mountain View Farm	Bushenyi
4	3.5 Tonne	Nanga Farm Ltd.	Mukono
5	3.5 Tonnes	Busaanyi Agro Investments	Mpigi
6	3.5 Tonnes	West Nile Women's' Association	Arua
7	1.0 Tonne	Four Ways Investments Ltd.	Masaka
8	1.0 Tonne	Zinunula Coffee	Luweero
9	1.0 Tonne	Kabasekende Enterp Ltd.	Hoima
10	1.0 Tonne	Eastlands coffee Growers	Jinja
11	1.0 Tonne	Kyolaba FARM	Wakiso
12	1.0 Tonne	Bugisu Pulperies	Mbale
13	1.0 Tonne	Aberi Mixed Farm Ltd..	Nebbi
14	1.0 Tonne	Kabagala Estates	Masaka
15	1.0 Tonne	Bugisu Co-operative Union	Mbale
16	1.0 Tonne	Bugisu Co-operative Union	Mbale

6.4. STAFF MATTERS

1) The Board renewed the contract of Mr. William G. Naggaga, the Board Secretary, for another 3-year term effective from 30th September 2001.

2) The Board also renewed the contract of Mr. George Lukwago, the Development Managers for another 3 years term effective from 6th May 2002.

taffing structure under the UCDA corporate Review, r changes to be effected by 1st October 2002.

- The Departments of Finance and Administration were merged to form on department of Finance and Administration.
- The departments of Quality, Regulation and Information Systems Department were also merged to form one department of Quality and Information Systems.
- UCDA will thus have a structure with three departments namely, Development, Finance and Administration and Quality and Information Systems.
- A post of Principal Monitoring and Evaluation Officer was created in the managing Director's office.
- All Regional Officers in the Development department will report directly to the manager, while DCC's will be included in the organizational structure.
- The post of Technical Officer was reintroduced in the Quality and Information Systems Department.
- The post Property Management Officer in Finance and Administration department was abolished.
- The post of Principal Administrative Officer was reintroduced in the department of Finance and Administration.
- The post of senior Accountant was upgraded to Principal level.
- The post of Principal Monitoring Officer in the department of Quality and Information systems was abolished.

4) The Board decided that the job of Board secretary would become part time after the expiry of the term of the incumbent. The approved new staffing structure is contained in Appendix viii.

5) The Board approved recruitment of district coffee coordinators for Ntungamo, Mbarara, Bushenyi, Sembabule, Rukungiri, Kanungu, Lira, Apac, Masindi, Kiboga, Tororo and Busia.

6.5 ASSETS OF THE AUTHORITY

(a) Renovation of Plot 42 Windsor Crescent, Kololo. The Board upheld a proposal contained in the Corporate Plan, whereby properties in Kololo and Ntinda will progressively be upgraded for better income.

Management accordingly tendered for renovation of Plot 42 Windsor Crescent, Kololo that is to be made ready as a dual-purpose structure to be utilized as an executive residence or be converted into offices.

vices Ltd. won the contract at a tender fee of Uganda Work, which is to be supervised by Ms. Ankapol Associated Architects Company of Uganda Ltd., is to start as soon as Housing Finance Company of Uganda Limited (HFCU) has approved a loan to UCDA to the tune of the contract sum applied for.

(b) Letting of offices to UBINnet

The Quality Department was transferred to the coffee Exhibition Hall at UMA show grounds Lugogo, in order, to create Space for UBINnet, a UNIDO sponsored communication agency, who were interested in renting the 1st floor of coffee House.

(c) New motor cycles for DCC'S

25 Units of HONDA XLR 125 Motorcycles were purchased to replace the old fleet of Jialing Bush master, which have been on the road since 1995. Funds for the new motorcycle were from the Government strategic intervention fund for coffee.

The purchase was timely, as it has boosted the mobility of DCC's while supervising the coffee replanting programme.

(d) **Disposal of Motor - vehicles**

The Board approved boarding off of nine vehicles for sale to members of staff. The decision was intended to be a cost saving measures due to the escalating of maintenance costs. The measure took effect in February 2002. The decision meant limiting the fleet to field vehicles in additional to those in the offices of managing Director and Board Secretary.

Table.6.1 CURRENT FLEET OF MOTOR VEHICLES.

Reg. No.	Reg. Date	Make	Drive Specification
S/Wagons			
422 UDH	July 1997	Nissan Patrol	4*4
902 UCS	Jan 1997	Nissan Patrol	4*4
UAA 083 E	Aug.. 1999	Mitsubishi	2*4
Pick-UPs			
127 UBM	July 1995	Mitsubishi	4*4
107 UBN	July 1995	Mitsubishi	4*4
130 UBN	July 1995	Mitsubishi	4*4
755 UDU	Jan 1998	Mitsubishi	4*4
763 UDU	Jan 1998	Mitsubishi	4*4
UAA 082 E	Aug. 1999	Mitsubishi	4*4
UAA 083E	Aug. 1999	Mitsubishi	4*4

6.6. VISITORS

1. Hon Kisamba-Mugerwa, the minister of Agriculture, Animal Industry and Fisheries together with Hon Kibirige-Sebunya the state Minister for Agriculture paid frequent visits to UCDA in order to discuss with the Board important matters

ich include:

he aged and wilted coffee trees;

(ii) Development of coffee plantations or commercial farms for the improvement of quality and reaping of the economies of scale.

(iii) Improvement of Arabica coffee production through spraying against disease and pests.

(iv) Introduction of coffee to non traditional coffee growing areas

(v) Support to value addition initiatives.

2. A three-man. IMF mission paid a visit on 7th May to discuss with the UCDA management:

(i) The outlook for coffee for the year 2001 to 2003.

(ii) The status of the replanting programme and projections for the medium term.

(iii) The competitiveness of Uganda coffee together with the impact of strategic exports initiatives and the plan for Modernization of Agriculture in respect of coffee. The team was highly impressed with the presentations on what is happening in the coffee sub-sector.

3. A delegation of the Swedish Policy group on global food security visited on 14th November 2001. They discussed with UCDA management of issues surrounding World hunger and possible strategies to ensure food security. Management briefed them on the factors that contribute to coffee's fight against hunger which include:

(i) Translation of coffee booms to better standards of living.
(ii) Introduction of coffee as a cash crop in peripheral areas.
(iii) Non-degradation of soils due to growth under shade trees.

4. A ten-man delegation of officials from the Malawi Ministry of Agriculture and irrigation visited UCDA on January 22, 2002 as part of a study tour to both Uganda and Tanzania under sponsorship of NORAD an agency of the Royal Danish Government.

They were in the country to share Uganda's experience of the decentralization process in the agriculture sector coffee inclusive, ahead of implementation of the agriculture Sector Development Plan in Malawi.

They wanted to know about the following in particular:

(i) The coffee sector reforms after liberalization.

(ii) Existing policies and incentives for the private sector to ensure their involvement in service delivery.

aboration with the various stakeholders and sector

5. A team from the African Development Bank (ADB) visited on 4th March 2002 to discuss with Management the prospects of funding Kaweri coffee Project.

They were assured of the viability of the project, the funding of which would ensure a good return on Investment. In addition, the project would guarantee better standards of living for the communities within its vicinity through either direct employment or the out grower scheme which was envisaged.

6. A high-level trade delegation from Egypt visited to follow up with UCDA and coffee stake holders on the formation of a Joint venture Company through which a coffee shop would be opened up in Cairo. The joint venture company would also be expected to facilitate linkages between the Ugandan coffee Roasters and Exporters to their Egyptian Counterparts. The meeting took place on 22nd August 2002 at the UCDA Boardroom in Kampala.

7. Various other dignitaries and coffee personalities from within Uganda and abroad paid visits to discuss coffee matters.

6.7. INTERNATIONAL MEETINGS.

1. Coffee Quality Improvement Programme (CQIP)

(i) The quality Committee of the International Coffee Council held a meeting in London on 28-30 November 2001. And 16-18 January 2002 to decide on minimum standards for exportable coffee.
It was decided that: -

(a) ICO Certificates of origin is only issued to consignments that meet the minimum standards, which were put at 86 defects and 150 defects per 300 gm sample for arabica and robusta coffee respectively. Moisture content for both coffees was put below 8% or excess of 12.5% measured using the ISO 6673 method.

(b) Exporting countries were required to adopt and implement measures, which ensure compliance, which was similarly required of importing countries.

(c) Alternative uses were to be developed for non-exportable coffees including use in confectionery, animal feeds, organic fertilizers, cellulose paste, briquettes, etc....

(ii) It was envisaged that implementation of coffee would result in achieving a 10% reduction of global coffee exports.

(iii) Uganda agreed to implement the programme beginning 1st October 2002.

2. **86th session of the International Coffee Council**

(i) The International Coffee Council held a meeting in London, 21-24 May

ndorsed the resolution on the quality Improvement

(ii) Council also endorsed the new Executive Director's five priority areas under his vision for a comprehensive approach to world coffee demand and supply balance. The priority areas include;- Coffee Quality improvement programme, diversification programme, value addition, promotion and sustainability.

(iii) The Private Sector consultative Board (PSCB) also presented their report which included the following action areas:-

- Development of a manual which would extol the positive aspects of drinking coffee e.g. mental alertness and workplace efficiency.
- Pursuing the emerging markets in Eastern Europe.
- Building a global alliance for a sustainable free crops program as proposed by the East African Fine Coffee Association (EAFCA).

3. Investment and Trade Missions

UCDA was part of the delegations to two investment and trade missions initiated by H. E the President, Yoweri K. Museveni.

One of the missions was at, in the United States of America, meant to exploit benefits of the AGOA market initiative.

The other was in Cairo, Egypt where Ugandan products were displayed for the potential Egyptian Market.

4. IACO General Assembly

The 41st Annual General Assembly of the Inter African coffee Organization (IACO) took place in Abidjan on 15 to 16 November 2001.

The Assembly examined the current world coffee crisis in general and the African one in particular, in light of the serious crisis it encountered and the changes known as globalization and privatization.

The Assembly also analyzed the administrative situation of the organization, characterized by accumulated arrears in contributions by member countries and subsequent operating difficulties of the secretariat.

Uganda was re appointed to the Organization's Finance Committee.

5. 20th Spanish coffee Conference

The managing Director attended the 20th Spanish coffee conference held at Barcelona, Spain on 9th June 2002. He presented a paper on the current situation in Uganda's coffee sector before the prestigious gathering of coffee personalities around the world.

nittees of the UCDA Board

The following are the committee of the Board of Directors.

A) Finance and policy Committee

1.	Mr. Keith Muhakanizi	-	Chairman
2.	Mr. Y.K. Abainenamar	-	member
3.	Mrs. Robinah Sabane	-	member
4.	Hajji Ishak K. Lukenge	-	member
5.	Mr. Paul Mugambwa	-	member
6.	Mr. Henry Ngabirano	-	member
7.	Mr. William G. Naggaga	-	secretary

B) <u>Development, Quality & regulatory Committee</u>

1.	Dr. Dennis T. Kyetere	-	Chairman
2.	Mrs. Faith Mutebi	-	member
3.	Mr. B.A Mungu-Acel	-	member
4.	Mrs. Jane Francis Kuka	-	member
5.	Rev. Fr. Dr. Joseph Kiseka	-	member
6.	Mr. Paul Mugambwa	-	member
7.	Mr. Henry Ngabirano	-	member
8.	Mr. William Naggaga	-	secretary

Managers are co-opted members on both committees due to their roles of implementation of Board decisions.

The Board and its Committees held a series of meetings aimed at laying strategies for the betterment of the coffee sub-sector. The bulk of the meetings addressed the matter of the corporate Review which mainly focusing on restructuring of Department and staffing levels with an intention of promoting efficiency in the services rendered to the industry.

Meetings held during the Year

Board meetings	11
Quality and Development Committee	2
Finance & Policy committee	1

APPENDIX I

COMPARATIVE MONTHLY & QUARTERLY PROCUREMENT FOR ROBUSTA & ARABICA - 60 Kilo Bags -

MONTH	2001/02			2000/01			1999/2000		
	ROBUSTA	ARABICA	TOTAL	ROBUSTA	ARABICA	TOTAL	ROBUSTA	ARABICA	TOTAL
TOTAL	**2,849,686**	**415,326**	**3,265,012**	**2,819,438**	**489,958**	**3,309,396**	**2,518,135**	**499,981**	**3,018,116**
PERCENT	**87.28**	**12.72**	**100**	**85.19**	**14.81**	**100**	**83.43**	**16.57**	**100**
OCT	131,114	26,169	157,283	119,165	22,219	141,384	250,135	55,632	305,767
NOV	112,239	47,334	159,573	200,104	34,178	234,282	451,233	63,214	514,447
DEC	250,703	40,899	291,602	215,410	36,056	251,466	365,896	67,895	433,791
Qtr - 1	**494,056**	**114,402**	**608,458**	**534,679**	**92,453**	**627,132**	**1,067,264**	**186,741**	**1,254,005**
JAN	220,501	40,899	261,400	356,142	39,541	395,683	210,365	63,625	273,990
FEB	250,332	60,003	310,335	266,312	75,742	342,054	165,328	52,563	217,891
MAR	150,334	60,051	210,385	251,323	66,321	317,644	138,631	41,256	179,887
Qtr - 2	**621,167**	**160,953**	**782,120**	**873,777**	**181,604**	**1,055,381**	**514,324**	**157,444**	**671,768**
APR	156,132	35,079	191,211	132,541	51,236	183,777	112,366	35,024	147,390
MAY	251,958	27,002	278,960	152,363	68,467	220,830	165,132	30,123	195,255
JUN	350,994	26,953	377,947	159,648	32,145	191,793	101,423	38,541	139,964
Qtr - 3	**759,084**	**89,034**	**848,118**	**444,552**	**151,848**	**596,400**	**378,921**	**103,688**	**482,609**
JUL	445,113	15,571	460,684	319,237	25,884	345,121	232,515	25,231	257,746
AUG	300,101	10,209	310,310	346,552	17,768	364,320	201,457	14,523	215,980
SEPT	230,165	25,157	255,322	300,641	20,401	321,042	123,654	12,354	136,008
Qtr - 4	**975,379**	**50,937**	**1,026,316**	**966,430**	**64,053**	**1,030,483**	**557,626**	**52,108**	**609,734**

APPENDIX II

COMPARATIVE MONTHLY & QUARTERLY EXPORT FIGURES BY TYPE: ROBUSTA & ARABICA - 60-Kilo Bags -

MONTH	2001/02			2000/01			1999/2000		
	ROBUSTA	ARABICA	TOTAL	ROBUSTA	ARABICA	TOTAL	ROBUSTA	ARABICA	TOTAL
TOTAL	**2,715,955**	**430,426**	**3,146,381**	**2,614,862**	**459,911**	**3,074,773**	**2,390,682**	**526,575**	**2,917,257**
PERCENT	**86.32**	**13.68**	**100**	**85.04**	**14.96**	**100**	**81.95**	**18.05**	**100**
OCT	126,253	25,151	151,404	118,535	20,250	138,785	192,012	33,013	225,025
NOV	110,778	39,342	150,120	196,824	30,695	227,519	357,647	54,256	411,903
DEC	230,123	44,978	275,101	200,171	32,256	232,427	292,083	73,705	365,788
Qtr - 1	**467,154**	**109,471**	**576,625**	**515,530**	**83,201**	**598,731**	**841,742**	**160,974**	**1,002,716**
JAN	259,570	54,162	313,732	302,212	38,651	340,863	233,149	67,814	300,963
FEB	225,036	46,449	271,485	227,169	68,548	295,717	135,884	72,069	207,953
MAR	161,598	66,725	228,323	148,082	63,657	211,739	74,898	74,222	149,120
Qtr - 2	**646,204**	**167,336**	**813,540**	**677,463**	**170,856**	**848,319**	**443,931**	**214,105**	**658,036**
APR	126,648	61,306	187,954	120,552	56,812	177,364	57,780	37,173	94,953
MAY	201,828	24,607	226,435	132,755	66,672	199,427	121,016	32,205	153,221
JUN	349,603	20,180	369,783	239,138	30,355	269,493	235,791	28,980	264,771
Qtr - 3	**678,079**	**106,093**	**784,172**	**492,445**	**153,839**	**646,284**	**414,587**	**98,358**	**512,945**
JUL	414,028	14,424	428,452	309,239	26,883	336,122	268,093	22,936	291,029
AUG	284,032	9,070	293,102	346,553	7,763	354,316	208,880	11,422	220,302
SEPT	226,458	24,032	250,490	273,632	17,369	291,001	213,449	18,780	232,229
Qtr - 4	**924,518**	**47,526**	**972,044**	**929,424**	**52,015**	**981,439**	**690,422**	**53,138**	**743,560**

APPENDIX III

COMPARATIVE MONTHLY EXPORT FIGURES FOR ROBUSTA & ARABICA - 60 Kilo Bags -

MONTH/TYPE	2001/02		2000/01		1999/2000		1998/99		1997/98	
	QTY	VALUE $	QTY	VALUE $	QTY	VALUE $	QTY	VALUE $	QTY	VALUE $
TOTAL	**3,146,381**	**83,936,953**	**3,074,773**	**104,776,424**	**2,917,257**	**164,749,915**	**3,647,998**	**282,995,512**	**3,032,338**	**276,474,235**
ROBUSTA	**2,715,955**	**64,496,820**	**2,614,862**	**79,703,961**	**2,390,682**	**121,850,127**	**3,291,540**	**247,869,096**	**2,691,878**	**227,361,611**
OCT	126,253	2,872,653	118,535	4,253,684	192,012	11,243,152	71,707	5,613,824	109,640	8,635,379
NOV	110,778	2,371,332	196,824	6,435,051	357,647	20,781,613	204,817	16,437,434	150,449	11,756,044
DEC	230,123	5,003,869	200,171	6,681,738	292,083	17,663,665	428,184	36,875,812	216,712	17,642,704
JAN	259,570	5,477,351	302,212	10,321,027	233,149	13,620,160	395,139	34,737,331	270,409	22,498,020
FEB	225,036	4,776,016	227,169	7,397,535	135,884	7,598,423	365,759	30,948,349	282,989	24,412,443
MAR	161,598	3,521,013	148,082	4,640,891	74,898	3,521,556	251,885	19,862,169	194,993	19,959,429
APR	126,648	2,951,933	120,552	3,715,944	57,780	2,493,150	140,996	10,574,754	99,233	8,367,863
MAY	201,828	4,663,459	132,755	4,028,681	121,016	5,450,794	224,751	15,571,491	123,932	11,290,278
JUN	349,603	8,718,297	239,138	7,194,048	235,791	10,581,124	389,401	26,609,437	325,542	29,534,163
JUL	414,028	10,923,700	309,239	8,893,101	268,093	11,822,775	326,981	20,472,541	391,114	32,028,689
AUG	284,032	7,277,631	346,553	9,289,967	208,880	8,806,116	293,577	18,227,645	335,135	26,425,609
SEPT	226,458	5,939,566	273,632	6,852,294	213,449	8,267,599	198,343	11,938,309	191,730	14,810,989
ARABICA	**430,426**	**19,440,133**	**459,911**	**25,072,463**	**526,575**	**42,899,788**	**356,458**	**35,126,416**	**340,460**	**49,112,624**
OCT	25,151	1,139,162	20,250	1,265,233	33,013	2,260,295	27,416	2,844,152	21,189	3,504,222
NOV	39,342	1,754,014	30,695	1,977,358	54,256	4,062,785	37,254	4,173,179	29,155	4,309,485
DEC	44,978	2,079,527	32,256	1,771,881	73,705	5,829,878	40,219	4,481,839	28,769	4,588,423
JAN	54,162	2,517,966	38,651	2,200,919	67,814	7,038,080	32,881	3,687,481	29,333	4,962,398
FEB	46,449	2,117,587	68,548	3,937,787	72,069	7,253,157	37,271	3,876,494	44,067	8,069,053
MAR	66,725	3,172,346	63,657	3,446,579	74,222	6,503,402	36,148	3,774,849	39,831	4,310,451
APR	61,306	2,883,654	56,812	3,154,520	37,173	2,757,171	32,035	2,871,469	39,240	5,955,710
MAY	24,607	982,077	66,672	3,465,225	32,205	2,186,684	41,227	3,788,720	28,951	4,207,703
JUN	20,180	959,215	30,355	1,540,756	28,980	1,748,611	26,216	2,056,975	30,999	3,934,301
JUL	14,424	635,620	26,883	1,228,214	22,936	1,629,662	15,048	1,274,230	16,613	1,766,169
AUG	9,070	315,146	7,763	342,746	11,422	660,188	10,410	885,616	16,112	1,626,144
SEP	24,032	883,819	17,369	741,245	18,780	969,875	20,333	1,411,412	16,201	1,878,565

CUMULATIVE COFFEE EXPORTS AND VALUE: 2000/01 - 1998/99

COFFEE YEAR 2001/02				
MONTH	QUANTITY		VALUE	
	- 60 Kilo Bags -	CUMULATIVE	- US Dollar$	CUMULATIVE
OCT.	151,404	151,404	4,011,814	4,011,814
NOV.	150,120	301,524	4,125,346	8,137,160
DEC.	275,101	576,625	7,083,396	15,220,556
JAN.	313,732	890,357	7,995,316	23,215,872
FEB.	271,485	1,161,842	6,893,603	30,109,475
MAR.	228,323	1,390,165	6,693,359	36,802,834
APR.	187,954	1,578,119	5,835,588	42,638,422
MAY	226,435	1,804,554	5,645,537	48,283,959
JUN.	369,783	2,174,337	9,677,512	57,961,471
JUL.	428,452	2,602,789	11,559,320	69,520,791
AUG.	293,102	2,895,891	7,592,777	77,113,568
SEPT.	250,490	3,146,381	6,823,385	83,936,954
COFFEE YEAR 2000/01				
MONTH	QUANTITY		VALUE	
	- 60 Kilo Bags -	CUMULATIVE	- US Dollar$	CUMULATIVE
OCT.	138,785	138,785	5,518,917	5,518,917
NOV.	227,519	366,304	8,412,409	13,931,326
DEC.	232,427	598,731	8,453,619	22,384,945
JAN.	340,863	939,594	12,521,947	34,906,892
FEB.	295,717	1,235,311	11,335,323	46,242,215
MAR.	211,739	1,447,050	8,087,470	54,329,685
APR.	177,364	1,624,414	6,870,463	61,200,148
MAY	199,427	1,823,841	7,493,905	68,694,053
JUN.	269,493	2,093,334	8,734,804	77,428,857
JUL.	336,122	2,429,456	10,121,315	87,550,172
AUG.	354,316	2,783,772	9,632,712	97,182,884
SEPT.	291,001	3,074,773	7,593,539	104,776,424
COFFEE YEAR 1999/2000.				
MONTH	QUANTITY		VALUE	
	- 60 Kilo Bags -	CUMULATIVE	- US Dollar$	CUMULATIVE
OCT.	225,025	225,025	13,503,447	13,503,447
NOV.	411,903	636,928	24,844,398	38,347,845
DEC.	365,788	1,002,716	23,493,543	61,841,388
JAN.	300,963	1,303,679	20,658,240	82,499,628
FEB.	207,953	1,511,632	14,851,580	97,351,208
MAR.	149,120	1,660,752	10,024,958	107,376,166
APR.	94,953	1,755,705	5,250,321	112,626,487
MAY	153,221	1,908,926	7,637,478	120,263,965
JUN.	264,771	2,173,697	12,329,735	132,593,700
JUL.	291,029	2,464,726	13,452,437	146,046,137
AUG.	220,302	2,685,028	9,466,304	155,512,441
SEPT.	232,229	2,917,257	9,237,474	164,749,915

MONTHLY EXPORTS BY TYPE & GRADE DURING THE YEAR: in 60-Kilo Bags: 2001/02

EXPORTER	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
TOTAL	**151,404**	**150,120**	**275,101**	**313,732**	**271,485**	**228,323**	**187,954**	**226,435**	**369,783**	**428,452**	**293,102**	**250,490**	**3,146,381**
ROBUSTA	**126,253**	**110,778**	**230,123**	**259,570**	**225,036**	**161,598**	**126,648**	**201,828**	**349,603**	**414,028**	**284,032**	**226,458**	**2,715,955**
Organic	320		20		200		600	300					**1,440**
Washed	300				580		0	0					**880**
Sc. 1800	12,191	8,640	20,656	29,076	24,524	17,206	10,021	20,578	24,539	30,283	26,263	16,569	**240,546**
Sc. 1700	5,845	5,455	13,360	16,998	14,746	7,799	2,149	3,848	12,854	26,759	10,724	13,797	**134,334**
Sc. 1500	75,560	75,315	152,556	148,800	134,860	90,734	78,450	124,152	224,876	249,820	161,737	120,588	**1,637,448**
Sc. 1400	2,370	1,200	7,432	17,135	11,474	5,157	1,499	2,895	12,751	31,218	14,744	12,011	**119,886**
Sc. 1300	1,336		1,670	2,338		3,340	0	334	1,336	0	9,777	2,445	22,576
Sc. 1200	22,611	18,328	33,294	37,113	35,212	28,194	24,277	38,566	56,397	62,534	41,923	30,430	**428,879**
BHP 1199	320	1,200	560	7,400	1,670	7,348	7,123	8,405	5,860	8,860	9,129	14,339	**72,214**
BHP 10.13							0					3,900	3,900
Black Beans	280		300	710		560	280	880	1,740	3,272	2,555	1,983	12,560
Rob - UG	5,120	640				1,260	2,135	1,050	1,750	922	4,480	4,900	22,257
OTHERS			275		1,770		114	820	7,500	360	2,700	5,496	19,035
ARABICA	**25,151**	**39,342**	**44,978**	**54,162**	**46,449**	**66,725**	**61,306**	**24,607**	**20,180**	**14,424**	**9,070**	**24,032**	**430,426**
Organic	300		675		805	600	600	300	0	600		300	**4,180**
Bugisu AA	11,410	15,287	14,251	14,647	12,600	15,957	14,146	2,954	4,747	3,430	670	2,020	**112,119**
Bugisu A	2,590	3,440	4,481	6,199	6,580	6,221	6,300	4,290	1,522	600	600	750	**43,573**
Bugisu B	985	1,115	1,740	3,024	1,780	1,301	3,930	171	386	700	350	90	**15,572**
Bugisu PB	1,105	365	1,521	1,040	490	2,416	2,687	732	64			100	**10,520**
Arabica AB		2,000	2,320	2,660	770	4,260	2,080		1,310	640		350	**16,390**
Wugar	1,224	5,445	5,210	16,422	9,270	10,310	5,960	3,220	2,220	314		1,425	**61,020**
Drugar	6,652	11,430	14,780	10,170	13,329	22,105	21,821	5,240	8,789	4,371	3,260	12,595	**134,542**
Triage	885	260			825	575	2,902	3,150	350	1,669	2,250	6,402	**19,268**
Others (C & E)						2,980	880	4,550	792	2,100	1,940	0	13,242

MONTHLY-REALISED PRICES FOR THE VARIOUS COFFEE GRADES AND TYPES IN 2001/02 - US Cents/ Kilo.

EXPORTER	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	AVG
TOTAL	**0.44**	**0.46**	**0.43**	**0.42**	**0.42**	**0.49**	**0.52**	**0.42**	**0.44**	**0.45**	**0.43**	**0.45**	**0.44**
ROBUSTA	**0.38**	**0.36**	**0.36**	**0.35**	**0.35**	**0.36**	**0.39**	**0.39**	**0.42**	**0.43**	**0.43**	**0.44**	**0.40**
Organic	0.50		0.54		0.56		0.60	0.58					**0.56**
Washed	0.88				0.86								**0.87**
Sc. 1800	0.56	0.49	0.50	0.50	0.50	0.50	0.53	0.51	0.54	0.56	0.54	0.54	**0.52**
Sc. 1700	0.44	0.42	0.40	0.41	0.42	0.44	0.50	0.51	0.51	0.49	0.49	0.52	**0.46**
Sc. 1500	0.39	0.36	0.36	0.35	0.35	0.38	0.42	0.40	0.43	0.43	0.45	0.48	**0.40**
Sc. 1400	0.33	0.28	0.33	0.30	0.30	0.32	0.34	0.37	0.44	0.44	0.41	0.41	**0.36**
Sc. 1300	0.36		0.26	0.27		0.31		0.36	0.43		0.43	0.40	**0.35**
Sc. 1200	0.30	0.29	0.28	0.28	0.28	0.31	0.32	0.32	0.36	0.39	0.38	0.41	**0.33**
BHP 1199	0.15	0.04	0.18	0.12	0.14	0.09	0.11	0.19	0.09	0.11	0.12	0.18	**0.13**
BHP 10.13							0.00					0.10	**0.05**
Black Beans	0.20		0.36	0.06		0.16	0.15	0.16	0.13	0.16	0.16	0.23	**0.18**
Rob - UG	0.07	0.07				0.28	0.16	0.42	0.29	0.40	0.28	0.34	**0.87**
ARABICA	**0.75**	**0.74**	**0.77**	**0.77**	**0.76**	**0.79**	**0.78**	**0.67**	**0.79**	**0.73**	**0.58**	**0.61**	**0.75**
Organic	0.91		0.78		0.87	1.18	1.02	1.16		1.16		1.41	**1.09**
Bugisu AA	0.84	0.86	0.93	0.93	0.92	0.97	0.95	1.06	1.02	1.02	0.98	1.09	**0.93**
Bugisu A	0.84	0.75	0.82	0.80	0.79	0.87	0.81	0.92	0.94	0.96	0.91	0.99	**0.83**
Bugisu B	0.79	0.79	0.77	0.84	0.96	0.87	0.69	0.95	0.81	0.95	0.96	0.90	**0.81**
Bugisu PB	0.76	0.73	0.79	0.77	0.68	0.74	0.86	1.02	1.08			0.95	**0.80**
Arabica AB		0.83	0.91	0.97	0.88	1.03	1.14		0.89	0.92		0.93	**0.97**
Wugar	0.68	0.70	0.71	0.71	0.75	0.79	0.92	0.82	0.73	0.91		0.91	**0.76**
Drugar	0.66	0.60	0.60	0.58	0.60	0.63	0.69	0.67	0.67	0.62	0.65	0.66	**0.64**
Triage	0.11	0.25			0.14	0.33	0.20	0.09	0.10	0.24	0.14	0.20	**0.17**

FORMANCE OF INDIVIDUAL EXPORTERS IN 2001/02 – 60-Kilo bags

		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	Mkt Share	
	Grand Total	151,404	150,120	275,101	313,732	271,485	228,323	187,954	226,435	369,783	428,452	293,102	250,490	3,146,381	Ind	Cum
1	Ugacof Ltd.	14,026	6,718	60,365	60,750	43,960	23,187	11,357	18,405	54,642	103,163	57,058	34,699	488,330	15.5	15.5
2	Pan Afric Impex Ltd	15,155	26,254	35,748	30,740	43,278	33,546	27,447	42,160	61,790	31,729	43,269	34,713	425,829	13.5	29.1
3	Intertrade Service	4,882	12,612	22,113	24,492	15,582	15,016	15,240	40,276	61,571	30,802	16,967	1,944	261,497	8.31	37.4
4	Great Lakes	14,188	15,294	16,968	18,347	12,064	17,734	15,135	17,748	25,698	42,666	24,694	36,014	256,550	8.15	45.5
5	Olam (U) Ltd.	13,025	9,970	22,335	30,205	16,484	20,342	16,561	20,949	18,624	26,330	27,704	15,300	237,829	7.56	53.1
6	Kampala Domestic Store	5,985	6,320	18,628	27,140	23,044	21,232	11,416	7,970	21,805	36,160	25,194	14,744	219,638	6.98	60.1
7	H.M.Nsamba & Sons Ltd.	6,146	10,023	9,002	35,232	32,634	20,366	11,818	12,674	27,962	22,389	2,324	2,298	192,868	6.13	66.2
8	Kyagalanyi Coffee Company	10,705	13,900	14,220	21,120	5,715	11,278	11,355	7,705	7,090	18,700	15,379	25,088	162,255	5.16	71.3
9	Kawacom (U) Ltd	13,402	4,280	12,850	13,728	11,716	11,620	16,220	4,633	19,432	24,896	15,480	11,533	159,790	5.08	76.4
10	Ibero (U) Ltd	6,110	3,220	14,840	5,432	20,562	13,360	5,110	10,550	16,300	7,465	2,680	22,300	127,929	4.07	80.5
11	Nakana Coffee Factory	7,040	9,056	14,572	8,592	11,108	6,810	11,744	14,080	12,628	16,908	4,616	7,664	124,818	3.97	84.5
12	Wabulungu MPurpose Estates	11,000	8,540	13,840	6,495	9,713	8,960	9,814	11,814	4,110	7,536	2,933	10,003	104,758	3.33	87.8
13	Mbale Importers & Exporters	7,000	8,710	6,980	9,310	7,260	4,510	10,503	3,967	1,356	307	1,350	1,906	63,159	2.01	89.8
14	Union Export Services	4,283	2,636	2,627	3,200	3,204	3,900	840	2,977	9,569	11,411	4,616	4,218	53,481	1.70	91.5
15	Busingye & Co. Ltd.	3,610	1,290				2,692	2,404	3,020	5,372	15,252	8,423	7,252	49,315	1.57	93.1
16	Bugisu Coop. Union.	3,360	5,180	4,270	6,040	3,180	5,925	6,530	1,500	1,558	2,200	1,650	700	42,093	1.34	94.4
17	Cetco	5,120	1,600	960	1,280	1,935		280	280	9,415	4,220	10,710	1,636	37,436	1.19	95.6
18	Job Coffee									1,440	7,408	14,154	8,947	31,949	1.02	96.6
19	Zinunula Coffee Factory	960	640	960	2,931	3,114	1,030	680	2,894	4,311	4,652	2,595	360	25,127	0.80	97.4
20	Banga Multi- Purpose Society	920	670	700	920	1,500	300	940	920	3,190	6,318	3,190	2,280	21,848	0.69	98.1
21	Zigoti Coffee Works										6,842	7,476	3,691	18,009	0.57	98.7
22	Bakwanye Trading Co. Ltd		1,600	320	3,200	320	2,894	1,280	344	320	496		2,880	13,654	0.43	99.1
23	Budadiri	1,860	1,590	1,540	750	1,410	800	640	640	320				9,550	0.30	99.4
24	House of Uganda Coffee.		17	1,263	1,280	1,270	1,300							5,130	0.16	99.6
25	Joan Coffee Dealers Ltd.	1,659			1,600	640	320	640	320	960	320	320		6,779	0.22	99.8
26	Samimpex (U) Ltd				948	892	901		609					3,350	0.11	99.9
27	Nanga Farm Ltd	300				580	300				282			1,462	0.05	99.9
28	Salati					320				320		320	320	1,280	0.04	100.0
29	Libra Commodities Ltd.	668												668	0.02	100.0

T STRUCTURE FOR OLD ROBUSTA, CLONAL AND ARABICA COFFEE: 1995/96 - 2001/02 COFFEE

Cost Parameters	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Labour	185,000	150,000	216,000	225,000	350,000	150,000	180,000
Amortized cost of Establishment	0	0	0	0	0	0	0
Depreciation (equipment)	60,000	75,000	75,000	75,000	50,000	50,000	60,000
Non-labour input cost [fertilizers, pesticides, etc.]	85,000	70,000	70,000	0	50,000	30,000	40,000
Total Cost	340,000	295,000	361,000	300,000	450,000	230,000	280,000
Yield in Kilos of Kiboko or Parchment/ha	1,200	1,200	1,100	1,100	1,200	1,000	1,200
Unit Cost (Shs/Kilo)	**283**	**245**	**330**	**272**	**375**	**230**	**233**
Farm-gate Price (Shs/Kilo of Kiboko/Parchment)	500	600	650	600	425	270	280
Profits in Shs. Kilo	217	355	320	328	50	40	47
CLONAL ROBUSTA COFFEE							
Labour	270,000	290,000	360,000	490,000	630,000	360,000	480,000
Amortized cost of Establishment	194,000	50,000	50,000	50,000	50,000	50,000	50,000
Depreciation (equipment)	100,000	100,000	100,000	100,000	125,000	100,000	100,000
Non-labour input cost [fertilizers, pesticides, etc.]	290,000	190,000	190,000	135,000	100,000	100,000	120,000
Total Cost	840,000	630,000	650,000	775,000	905,000	610,000	750,000
Yield in Kilos of Kiboko or Parchment/ha	3,000	3,000	3,300	3,300	3,600	4,000	4,400
Unit Cost (Shs/Kilo)	**285**	**210**	**200**	**234**	**251**	**153**	**170**
Farm-gate Price (Shs/Kilo of Kiboko/Parchment)	500	600	650	600	425	270	280
Profits in Shs. Kilo	215	390	450	366	174	117	110
ARABICA COFFEE							
Labour	205,000	180,000	300,000	350,000	385,000	240,000	270,000
Amortized cost of Establishment	0	0	0	0	0	0	0
Depreciation (equipment)	90,000	125,000	125,000	120,000	150,000	150,000	130,000
Non-labour input cost [fertilizers, pesticides, etc.]	85,000	160,000	160,000	85,000	100,000	120,000	160,000
Total Cost	380,000	465,000	585,000	555,000	635,000	510,000	560,000
Yield in Kilos of Kiboko or Parchment/ha	750	750	700	750	750	650	1,000
Unit Cost (Shs/Kilo)	**507**	**620**	**836**	**740**	**850**	**785**	**560**
Farm-gate Price (Shs/Kilo of Kiboko/Parchment)	1,000	1,700	1,800	1,400	1,300	1,000	990
Profits in Shs. Kilo	493	1,080	964	660	450	215	430

Note: The opportunity cost of family labour, estimated at 40 percent, is included in the cost structure.

BOD	-	Board of Directors
MD	-	Managing Director
BS	-	Board Secretary
MGR. ADM. & FIN	-	Manager, Administration and Finance
MGR. DEV'T	-	Manager, Development
MGR. QUAL. REG. INF SYS.	-	Manager, Quality, Regulatory & Information Systems.
PAO	-	Principal Administration Officer
P.ACC	-	Principal Accountant
PDO	-	Principal Development Officer
PRO	-	Principal Research Officer
PMA	-	Principal Market Analyst
PQC	-	Principal Quality Controller
PTO	-	Principal Technical Officer
PIA	-	Principal Internal Auditor
PM&EO	-	Principal Monitoring & Evaluation Officer
ASST. ACCT/CASHIER	-	Assistant Accountant/Cashier
SDO	-	Senior Development Officer
SRO	-	Senior Research Officer
SQC	-	Senior Quality Controller
STO	-	Senior Technical Officer
SYST AN.	-	Systems Analyst
QC	-	Quality Controller
TO	-	Technical Officer
AA	-	Administrative Assistant
PS	-	Personal Secretary
DA	-	Documentation Assistant
DCC	-	District Coffee Co-ordinator
TO/R	-	Telephone Operator/Receptionist
DR	-	Driver
LA	-	Laboratory Attendant
OM	-	Office Messenger
CL	-	Cleaner
LIB	-	Librarian
GA	-	Gardener
HM	-	Handyman

UCDA ORGANISATION CHART

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[2] Key to Abbreviations is on next page