



Uganda Coffee
Development Authority



Ministry of Agriculture, Animal
Industries and Fisheries

Uganda Coffee Development Authority



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Minister of Agriculture, Animal Industry & Fisheries



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Foreword



During the coffee year ended September 30, 2009, the Authority continued to implement production and productivity enhancement programmes in line with government's framework on Prosperity For All (PFA) and the National Export Strategy

(NES). These included but not limited to Coffee Production Campaign, Quality Improvement and Value Addition throughout the supply chain.

Under the coffee production campaign, the Board is gratified to note that farmers and local government leaders alike have fully embraced it, making its implementation easier. Virtually most of the coffee growing districts are currently on board; where the youth and women are at the forefront. The Campaign, which puts emphasis on Research, Extension, inputs and credit; and farmer organizations, aims at restoring annual exportable coffee production to a 4.5 m 60-kilo bags (270,000 tonnes) mark by 2015.

Quality Improvement and Value Addition within the supply chain continue to have a pronged approach. Some farmers and farmer groups have embarked on a number of sustainable coffee initiatives – Organic, Utz Certified, Rain Forest Alliance, Fair Trade, Shade and Bird Friendly – which don't only address quality and environmental issues but also boost earnings from coffee and mitigate the effects of climate change.

At the manufacturing level, plans are underway to launch a soluble coffee processing plant at the Kampala Industrial Park, Namanve in partnership with the Libyan Government.

These initiatives, needless to say, have enabled Uganda coffee to penetrate the Specialty and Sustainable coffee markets; some of whom do work directly with farmers. For example, Urth Caffé of California, USA works directly with farmers in Kisoro to promote organic coffee production and conserve the Mt. Gorillas in the area. Farmers' response is very encouraging and within the next 2 to 5 years, production of Mt. Gorilla Arabica Coffee will be in the region of 0.6 million bags (36,000 tonnes) per year. Meanwhile, the quantities of sustainable compliant coffees – 4Cs, Fairtrade, etc - are on the increase.

With regard to Coffee Wilt Disease, which has claimed close to 55% of the old robusta coffee trees since 1993, I am glad to report that there has been a breakthrough by the researchers at the Coffee Research Centre, Kituza in Mukono district. The Hon. Minister of Agriculture, Animal Industry and Fisheries (MAAIF) made a partial release of seven (7) Robusta coffee lines that are tolerant to the disease. Currently, all efforts are geared towards multiplication using tissue culture and the nodal cuttings. To accentuate the process, the Board trained two (2) Scientists in tissue culture technologies in Italy. This breakthrough is envisaged to enormously contribute to the ongoing coffee production campaign, by availing these seedlings to farmers as soon as possible.

On domestic coffee consumption, there is an appreciable increase in coffee being consumed presently as evidenced from the rapidly increasing cafés, hotels as well as supermarkets in Kampala city and other major towns in the country. UCDA shall continue to provide training to coffee roasters and brewers to guarantee availability of a quality cup.

The Ministry commissioned the drafting of a National Coffee Policy (NCP) in line with the Development Strategic Investment Plan (DSIP) in order to harmonize use of the limited resources in the coffee subsector. My appeal to the stakeholders is to candidly give support to the consultants so as to come up with a policy that will benefit the ordinary coffee farmers sustainably; and ensure efficiency along the supply chain. Meanwhile, the coffee laws – UCDA Statute 1991 and the Coffee Regulations 1994 – have been recommended for review.

On a sad note, the coffee industry regrets the death of the Hon. Minister of State for Agriculture, Dr. Israel Kibirige Ssebunya that occurred on October 12, 2008. The Late Kibirige shall always be remembered for his enormous contribution to the global coffee industry as a researcher, Chairperson of the Inter-Africa Coffee Organization and the first Chairman of the UCDA Board of Directors. We are thankful to God to have enabled him to serve in all these capacities. May the Almighty God rest his soul in eternal peace.

Finally, I sincerely thank my fellow Board Members, UCDA Management and Staff, and the entire coffee subsector fraternity for the support given to me in my first year as the Chairman of the Board. This gives me confidence that together much will be attained towards meeting customer needs – availability of quality coffee in sizeable quantities – and improving household incomes.

I do appeal to you, the readers, to keep abreast with what is obtaining in the coffee industry in terms of achievements, challenges, threats and opportunities, by reading this annual publication and visiting the UCDA Website: www.ugandacoffee.org



Eng. Fabian R. Tibeita
Chairman - UCDA Board of Directors

ACRONYMS / ABBREVIATIONS

4Cs	- Common Code for Coffee Communities	IPM	- Integrated Pest Management
ASAC	- Agricultural Structural Adjustment Credit	KARI	- Kawanda Agricultural Research Institute
BCU	- Bugisu Co-operative Union	MAAIF	- Ministry of Agriculture, Animal Industry & Fisheries
BOD	- Board of Directors	LEAD	- Livelihood and Enterprises for Agricultural Development
CABI	- Centre for Agriculture & Bioscience International	NARO	- National Agriculture Research Organization
CBD	- Coffee Berry Disease	NES	- National Export Strategy
CBN	- Community Based Nurseries	NSSF	- National Social Security Fund
CFC	- Common Fund for Commodities	NTAE	- Non-Traditional Agricultural Exports
CLR	- Coffee Leaf Rust	NUCAFE	- Nation Union of Coffee Agribusiness and Farm Enterprises
COREC	- Coffee Research Centre	PFA	- Prosperity For All
CQI	- Coffee Quality Institute, USA	RBS	- Retirement Benefit Scheme
CWD	- Coffee Wilt Disease	RO	- Regional Officer
DFI	- District Farm Institute	SIDA	- Swedish International Development Agency
DSIP	- Development Strategic Investment Plan	SRCC	- Sub-Regional Coffee Co-ordinators
EAFCFA	- East African Fine Coffees	UCDA	- Uganda Coffee Development Authority
EU	- European Union	UCTF	- Uganda Coffee Trade Federation
FAQ	- Fairly Average Quality	UMA	- Uganda Manufacturers Association
GAPs	- Good Agricultural; Practices	UNEX	- Union Export Services
GHPs	- Good Hygienic Practices	USAID	- United States Agency for International Development
GMPs	- Good Manufacturing Practices	USDA	- United States Development of Agriculture
HACCPs	- Hazard Analysis and Critical Control Points	VRC	- Variety Release Committee
IC	- Implementation Committee	WRS	- Warehouse Receipt System
ICA	- International Coffee Agreement	WTO	- World Trade Organization
ICC	- International Coffee Council		
ICO	- International Coffee Organization		
ICS	- Internal Control System		
IMI	- International Mycological Institute		

EXECUTIVE SUMMARY

1. Marketing

- A total of 3.05 million 60-kilo bags of coffee worth US \$ 291.7 million were exported to various destinations in the coffee year ended September 30, 2009. This consisted of 2.41 m bags worth \$ 212.8 m of Robusta and 0.648 m bags (\$78.9 m) of Arabica.
- Arabica was up by 30% and 9% in volume and value respectively. Conversely, Robusta was 11% and 33% down in volume and value respectively compared to 2007/08.
- The weighted average unit price at export level stood at \$ 1.59 per kilogramme down from \$ 2.02 realized in the previous year. Robusta was sold at \$ 1.47 per Kilogramme down from \$ 1.94 and Arabica fetched \$ 2.03 per kilo against \$ 2.43.
- Farm-gate prices averaged Shs. 1,010, Shs. 2,270 and Shs. 2,530 per kilogramme of Kiboko, FAQ and Arabica Parchment respectively.
- Of the 39 companies that registered to export coffee during the year, 34 were active; and of these 10 handled approx 90% of the coffee.
- Around 1.85 m bags (60%) of Uganda coffee were bought by 10 buyers, where Ecom Agro Industrialists topped the list with 373,690 bags (12.2%).
- The main destination of Uganda coffee continues to be the European Union countries, accounting for over 75% (2.31 m bags) followed by Africa with 436,622 bags (14.3%) shared among Sudan, Morocco, Egypt and South Africa in that order of magnitude.

2. Quality Assurance

- Under registration of industry players at post-harvest level, the following were licensed to operate during the year: 650 coffee buying stores, 301 primary processing factories, 39 exporting companies grading from 19 secondary processing factories and 7 roasters.
- Five (5) Central Washing Stations in the Mt. Elgon area (Buginyanya, Busulani, Manafwa, Busano and Gibuzale) were rehabilitated by the private sector, further improving the quality of coffee from the area.
- Kiboko (robusta dry cherries) to FAQ out-turn averaged 56% down from 57.3% recorded in the previous year, which was ascribed to the long dry spell in the robusta coffee areas.
- The cup for washed robusta coffee further improved from 92.1% last year to 93.0% but below the average for Naturals of 95.8%. Handling, especially at the drying stage, continues to be a challenge for washed coffees.
- The Bugisu Arabicas continue to show a high percentage of clean cups from an average of 97.5% last year to 98.3%. Bugisu PB scored the least (94.5%) while Bugisu A scored the highest (100%) followed by Bugisu AA at 99.6% and Wugar at 99.4%. The cup quality of Natural Arabica, Drugar, also improved from 94.9% last year to 98.1%.
- There was a general improvement in the cup quality of organic coffees, robusta was rated 100% up from 83.9% last year and Organic Bugisu marginally went up from 97.1% to 97.6%. Farmers have adopted use of nitrogen fixing plants, mulching, application of farm yard manure, and integrated pest management, which have contributed

to the good cup.

- Of the sustainable coffees to the Specialty Markets, Organic coffee accounted for 70%, Utz Certified (17.3%), 4Cs (9.8%) and Fair Trade (2.9%), These coffees are process-certified/verified, handled in very structured and prescribed ways to meet ethical, health, and environmental requirements.
- Q coffee grading system: 34 Ugandans were certified under the Q grading system as Q graders (26) and Star Cuppers (8) after a two-week intensive training conducted by Mr. Ted Lingle of the Coffee Quality Institute (CQI), USA.
- The process of developing Robusta coffee protocols for the Specialty market was launched by Hon. Olive Wonekha, Chairperson of the Parliamentary Sectoral Committee on Agriculture, Animal Industry and Fisheries. Delegates came from robusta coffee growing countries and consuming countries.
- Under promotion of local coffee consumptions, roasting and brewing training sessions were conducted. This improved the roasting and brewing skill of the participants who were drawn from local roasteries, cafés, restaurants and hotels.

3. Development

- To ensure availability of clean coffee planting materials, the following approaches were adopted:
 - A total of 882 Community Based Nurseries (CBNs) with a production capacity of 12.18 m seedlings per annum were established. Through this arrangement, 9.50 m seedlings were planted by the communities and farmer interest groups during the year.
 - Preservation of germplasm of the former MAAIF Robusta Clonal coffee

nurseries divested to the private sector. Technical and material support was provided and a total of 45,000 clones were raised from these nurseries during the year.

- Support was extended to the Arabica seed gardens in Nebbi and Sironko districts to ensure a sustainable source of certified seed. Over 5,000 Kilogrammes of seed shall be generated annually starting in 2009/10.
- Rehabilitated a seed garden in Ngetta in Lira and set up a new one in Serere, Soroti district. These will supply coffee seed to the growing demand in the North and North eastern Uganda. Over 1,500 Kgs of seed shall be generated by the two sites.
- The 7 new Coffee Wilt Disease resistant lines were partially released by the Ministry, and are being propagated using the tissue culture technology at Kawanda Agricultural Research Institute (KARI).
- Commercial coffee growing in Northern Uganda is slowly taking root. Local leaders and farmers have realized the benefits of incorporating coffee in the areas' farming system as a perennial crop in the poverty reduction crusade.
- A strategy to improve the yield per tree from the current 0.5 kilogramme to at least 1.5 kilogrammes of clean coffee beans was evolved, especially the old coffee trees. This has been achieved through setting up 55 rehabilitation demo sites in 43 subcounties in 31 districts. These sites are good looking and show potential of high yields. These demos are used in the Farmer Field School extension concept. The farmers are slowly adopting the practices – stumping, pruning, mulching and providing shade trees.
- To speed up adoption of good husbandry practices, competitions were organized for all farmers throughout the country;

and prizes - hand pulpers, tarpaulins, drying trays, solar panels – were given to the best performers.

- Under Organic coffee farming, farmers in Kisoro district were awarded – 5 solar panels; 5 Heifers; 5 hand pulpers; 5 rolls of drying mesh; and 6 water tanks – in recognition of their input.
- In a bid to commercialize coffee growing in Mid-North, 42 Coffee Farm level organizations were formed; and 20 workshops conducted on issues of governance, leadership, business skills, farmer field extension, coffee quality, post harvest handling practices and market development.
- A total of 65 Community Based Nurseries (CBNs) with a capacity to produce at least 700,000 seedlings per season were set up; and 12,300 farmers were trained in coffee nursery management and agronomic aspects. This was in addition to the 48 Sub County Extension workers trained in good agricultural and post harvest handling practices with a focus on coffee.
- Twentytwo (22) technology development sites were set up with Coffee, bananas and shade trees. These are centres of excellence that aid in training and sensitization of farmers in the area.

4. Research

- The Variety Release Committee (VRC) partially released seven (7) line of Robusta coffee, which are resistant to Wilt Disease and other major coffee diseases (leaf rust and red blister); and are high yielding and of good quality.
- Around 1,600 rooted cuttings of the new lines were raised and 700 planted in mother gardens at the Coffee Research Centre and Kawanda Agricultural Research Institute. Nine hundred (900)

rooted cuttings are available in the nursery for distribution to other nursery operators. More than 2500 cuttings are still being rooted under cages.

- Plans are underway to distribute these plantlets to nursery operators in the Robusta coffee growing areas for mass multiplication and release to farmers later.
- On lace bug, the survey taken in Bududa, Manafwa, Sironko and Kapchorwa revealed the severity of the outbreak in terms of loss in yields especially in the low altitude areas.
- The entomology team undertook a number of technical backstopping activities under the integrated pest management scheme. The team attended farmers' forums through which mitigating measures were discussed.

5. Finance and Administration

- The new Board of Directors headed by Eng. Fabian Tebeita (Chairman), was officially inaugurated in May 2009 by Hon. Hope Mwesigye, Minister for Agriculture, Animal Industry and Fisheries.
- 2 Quality Controllers were trained as Barista Trainer-cum-Judges in Portland, USA.
- 1 Quality Controllers was trained in effective use of HPLC and TLC in OTA analysis in Italy for 3 weeks.
- UCDA continued to promote Uganda coffee in the Specialty markets – SCAA, SCAE and SCAJ.
- The coffee industry continued to be represented in the international forum: Inter-Africa Coffee Organisation (IACO) through the 48th General Assembly held in Libreville, Gabon and International Coffee Organisation (ICO) in UK and African Fine Coffees' conference and exhibition in Kigali, Rwanda.

Chapter One

COFFEE SUBSECTOR POLICIES AND PROGRAMMES

1.1 Introduction

The coffee subsector has continued to play a dominant role in the Ugandan economy, providing gainful employment to over 1.3 m households and a major source of foreign exchange earnings accounting for around 25%.

The UCDA Board continued with its governance role to formulate policies and programmes aimed at enhancing the performance of the sector. The areas of policy emphasis were: support to coffee Research, Coffee Replanting, Quality Improvement, Timely Market Information Dissemination, Value Addition, Promotion and Domestic Coffee Consumption.

1.2 Coffee Replanting

UCDA Management continued to implement the policy of coffee replanting to address the reduction in coffee production due to Coffee Wilt Disease (CWD), old age of the coffee trees and reduction in soil fertility. To achieve this, a policy of planting at least 20 million seedlings per year was adopted, which is achieved through the following lines of attack:-

- Community Based Nurseries (CBNs) - these were to become a vehicle for enhancement of coffee seedlings production. Under this model, coffee farming communities in all coffee areas would be organized and supported by UCDA through provision of elite coffee seed, poly pots, shade tree seed and training. The coffee farming communities were to provide labour, potting medium and local shade materials.
- Rehabilitation of the MAAIF divested Clonal mother gardens. These were to be

fully rehabilitated to be able to produce cuttings for planting. In addition, these were to be used as mother garden multiplication centres for the CWD resistant varieties currently developed by COREC and preservation of germplasm of old.

- Support to 50 Clonal private nurseries. These were to be rehabilitated and used to produce plantlets under contract arrangement; and also preserve germplasm of the old Clonal lines.
- Tissue culture being undertaken to accelerate production of CWD resistant varieties in a short time at Kawanda Agricultural Research Institute.
- Support to coffee research stations and other seed centres to produce elite seed for nursery development. Continued support would be extended to the research centres such as Zombo, Buginyanya, Serere and Ngetta for the supply of elite seed.
- Focus on Coffee Production Campaign to bring all the stakeholders to appreciate the importance of coffee and offer support to the sub sector under the four (4) thematic areas: Research, Extension, Inputs and Credit, and Farmer Organization.

1.3 Quality Improvement and Value Addition

While the quality of coffee continues to be a shared responsibility of all the industry players, the Board adopted a number of programmes to ensure total quality improvement at every stage within the value chain. These include:

- Sensitization of industry players on the good

hygienic practices through workshops, seminars and radio programmes;

- Enforcement of the coffee regulations along with local government leaders to deter any malpractice that could undermine the quality of coffee along the production chain.;
- Value addition to robusta coffee by introducing the Q Grading concept to the industry. Through this initiative Robusta coffee protocols for the specialty markets will be developed to the benefit of the ordinary farmer. The Q System provides a feedback to farmers, hence improving the agronomic and handling practices.
- Mobilizing and organizing coffee farmers into viable groups to produce speciality coffees - Organic, Fair Trade, 4Cs, Utz Certified, Rainforest Alliance; and linking them directly to coffee buyers.
- Other initiatives include training of local roasters and coffee brewers in good roasting and brewing practices; and interesting investors in manufacture of soluble coffee.

1.4 Marketing and Information Dissemination

To mitigate the coffee market information lopsidedness in the industry, and make coffee competitive to all players, UCDA provides timely market information to stakeholders through SMS, e-mail, website, radio and others mass media.

1.5 Research

The Coffee Research Centre (COREC) intensified with biological research into disease resistant (CWD) varieties, Coffee Leaf Rust and Red Blister varieties without compromising yield and quality. Meanwhile, there was a partial release of seven (7) CWD resistant robusta lines as evaluation for others continues.

¹ About the dynamics of the global coffee industry.

Chapter Two

COFFEE MARKETING

2. General Performance

A total of 3.05 m 60-kilogramme bags (183,290 tonnes) of coffee worth US \$ 291.7 m was exported to various destinations in the coffee year ended September 30, 2009. This comprised 2.41 million bags (144,600 tonnes) of Robusta valued at \$ 212.9 million; and 0.67 million bags (40,200 tonnes) of Arabica worth \$ 78.8 m. European Union (EU) countries accounted for 76% of the total export followed by Sudan at 14% and 10% went to others destinations.

The weighted average price for the year stood at around 160 cents per kilo, 10 cents below target; and 42 cents (21%) below what

was realized last year – 2007/08. The fall in prices was principally due to a rise in world supply, from 119.7 million bags last year to around 134.7 million bags.

2.1 Coffee Procurement

Table 2.1 represents coffee deliveries (FAQ and Arabica parchment) from primary processors to the export grading factories, a proxy to coffee production. Around 3.26 million bags (195,600 tonnes) comprising: Robusta – 2.61 m bags (156,600 tonnes) and Arabica – 650,029 m bags (39,000 tonnes). This represents a 28% rise in arabica and a 12.5% drop in Robusta compared to last year.

Table 2.1 Coffee Procurement by type: 2004/05 - 2008/09 in 60-kilo bags

Coffee Year	Coffee Type		TOTAL	% -Age Change Over Previous yr.
	Robusta	Arabica		
2008/09	2,609,518	725,029	3,335,167	(4.44)
2007/08	2,982,339	507,917	3,490,256	20.13
2006/07	2,325,960	579,321	2,905,281	33.56
2005/06	1,550,497	624,724	2,175,221	(19.26)
2004/05	2,149,403	544,575	2,693,978	(2.53)

The improvement in arabica quantity was on account of the biennial cycle, a higher-output year, which was underpinned by the following factors:

- i) Availability of rains in the Arabica areas, especially at the critical stage of bean formation and development;
- ii) Improved agronomic practices in response to good farm gate prices, which lessened the incidence of Coffee Berry Disease in Arabica areas; and
- iii) Improvement in yield, as newly planted coffee continues to come into production, the ongoing rehabilitation programme; and intensified extension services under

the coffee production campaign.

Conversely, the 12.5% drop in Robusta volume was as a result of the dry spell in the Robusta growing area, especially at the bean development stage, resulting in floats; the incidence of the black twig borer; and persistence of coffee wilt disease, particularly in the Central region, the hub of Robusta coffee.

Table 2.2 shows coffee deliveries at the export grading factories on a monthly basis in the last two years. The deliveries were highest in February 2008 at 374,218 bags followed by March 2008 at 371,112 bags. This was in response to the good prices on the global

market – the ICO Composite price was highest in those months at 138.82 ct/lb and 136.17 ct/

lb in February and March respectively, which the farmers took advantage of.

TABLE 2.2 Comparative Procurement Figures in 60-Kilo Bags.

MONTH	2008/09			2007/08		
	Robusta	Arabica	Total	Robusta	Arabica	Total
TOTAL	2,609,518	725,649	3,335,167	2,982,339	507,917	3,490,256
OCT.	165,411	50,236	215,647	157,233	45,001	202,234
NOV.	225,321	69,123	294,444	180,143	35,015	215,158
DEC.	253,139	75,231	328,370	272,300	40,102	312,402
QTR - 1	643,871	194,590	838,461	609,676	120,118	729,794
JAN.	281,599	62,001	343,600	325,019	35,025	360,044
FEB.	272,146	72,005	344,151	335,441	38,777	374,218
MAR	202,168	63,532	265,700	320,100	51,012	371,112
QTR - 2	755,913	197,538	953,451	980,560	124,814	1,105,374
APR.	195,213	62,015	257,228	180,019	34,015	214,034
MAY	214,126	72,016	286,142	195,211	45,005	240,216
JUN.	225,013	51,023	276,036	230,125	52,100	282,225
QTR - 3	634,352	185,054	819,406	605,355	131,120	736,475
JUL	210,156	45,000	255,156	295,012	53,103	348,115
AUG.	190,225	50,332	240,557	292,106	49,012	341,118
SEPT	175,001	50,135	225,136	199,630	29,750	229,380
QTR - 4	575,382	145,467	720,849	786,748	131,865	918,613

2.2 External Market

2.2.1 Comparative Export Performance

Table 2.3 represents comparative monthly export performance in terms of volume, realized value and percentage variances in the coffee years – 2008/09 and 2007/08.

Overall there was a drop in coffee export performance during the year in both volume and value from 3.05 million bags (183,221 tonnes) valued at \$ 291.7 million, representing a 5% and 25% drop in volume and value respectively.

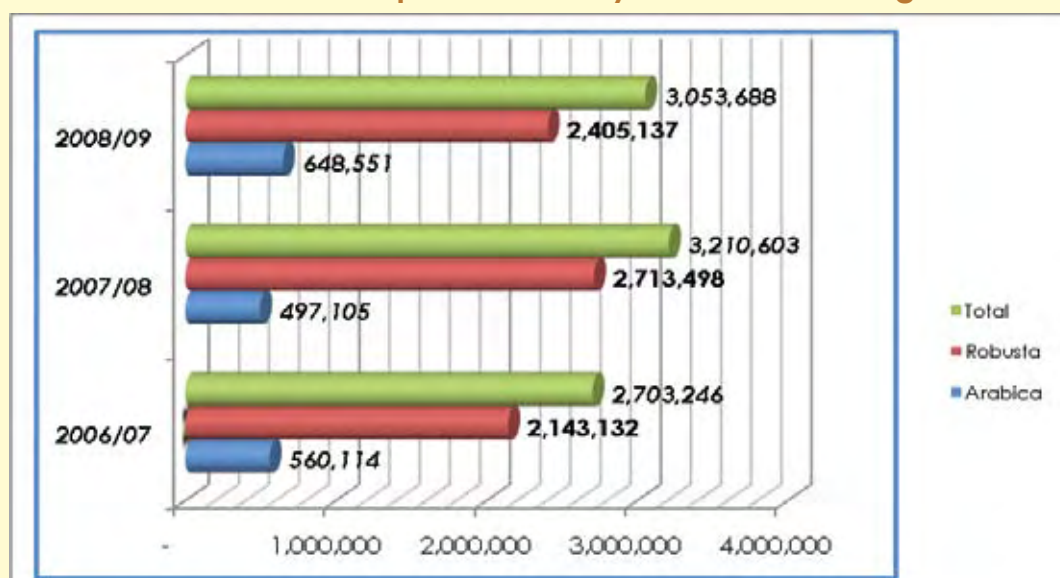
Arabica exports went up by 30.5% and 9.1% in volume and value, respectively from 0.497 m bags (29,820 tonnes) valued \$ 72.3 m last year to 0.67 m bags (40,200 tonnes) worth \$ 78.9m. Reasons for the rise in volume were as explained in the previous section 2.1 on procurement.

Table 2.3 Monthly Coffee Export Performance in 60-kilo bags and US Dollars

MONTH	2008/09		2007/08		%age Change	
	Qty	Value\$	Qty	Value\$	Qty	Value\$
TOTAL	3,053,688	291,761,739	3,210,603	388,398,200	(4.89)	(24.88)
OCT.	179,234	20,957,763	172,576	17,649,992	3.86	18.7
NOV.	266,732	27,475,000	198,864	21,000,150	34.13	30.8
DEC.	298,648	30,317,917	272,519	29,484,786	9.59	2.8
QTR - 1	744,614	78,750,680	643,959	68,134,929	15.63	15.6
JAN.	329,211	30,469,346	360,875	39,727,037	(8.77)	(23.3)
FEB.	319,605	31,043,412	318,013	36,973,375	0.50	(16.0)
MAR	256,257	23,923,342	279,248	36,298,208	(8.23)	(34.1)
QTR - 2	905,073	85,436,101	958,136	112,998,620	(5.54)	(24.4)
APR.	205,725	20,166,541	237,226	31,962,009	(13.28)	(36.9)
MAY	220,620	20,148,683	231,442	29,498,902	(4.68)	(31.7)
JUN.	254,026	23,210,915	278,107	35,526,411	(8.66)	(34.8)
QTR - 3	680,371	62,418,866	746,775	96,987,322	(8.89)	(35.6)
JUL	265,567	23,364,386	325,080	42,017,500	(18.31)	(44.4)
AUG.	260,235	23,562,781	324,127	41,507,604	(19.71)	(43.2)
SEPT	197,828	18,211,069	212,526	26,752,224	(6.92)	(31.9)
QTR - 4	723,630	65,138,236	861,733	110,277,328	(16.03)	(40.9)

Chart 1.0 shows annual coffee export performance per type – arabica and robusta – in the last three (3) years: 2006/07, 2007/08 and 2008/09. While there was a 30% recovery in the volume of arabica from 497,105 bags in 2007/08 to 648,551 bags, the robusta performance went down by 11% largely from

2.71 m bags to 2.14 m bags on the account of bad weather, which was characterized by a prolonged dry spell. However, farmers that adopted good agricultural practices – shade tree, mulching, water and soil conservation – were not very much affected by the drought.

Chart 1: Comparative Export Performance figures by coffee type: Robusta & Arabica for the past 3 Coffee years in 60-Kilo Bags

2.2.2 Coffee Exports by Type and Grade

Table 2.4 shows coffee exports by type (Robusta and Arabica), grade and the realised unit prices during the year as compare to last

year. Overall, there was a general drop in prices of 21.3% from \$ 2.02 recorded last year to \$ 1.59 per kilogramme.

Table 2.4 Comparative Coffee Export Grades & unit Prices

Coffee Type/ Grade	2008/09			2007/08		
	Quantity	Value	Unit/Kg	Quantity	Value	Unit/Kg
TOTAL	3,053,688	291,761,739	1.59	3,210,603	388,398,200	2.02
ROBUSTA	2,405,137	212,848,980	1.47	2,713,496	316,060,409	1.94
Organic Robusta	5,657	542,582	1.60	6,505	903,247	2.31
Washed Robusta	13,495	1,352,972	1.67	17,330	,292,104	2.30
Screen 18	267,246	25,647,005	1.60	315,645	39,417,099	2.08
Screen 17	72,852	6,748,096	1.54	61,916	7,589,488	2.04
Screen 15	1,336,738	120,584,531	1.50	1,449,118	174,877,381	2.01
Screen 14	37,226	3,498,754	1.57	28,644	3,509,506	2.04
Screen 13	49,036	4,413,950	1.50	12,674	1,663,188	2.19
Screen 12	396,127	33,414,838	1.41	552,412	61,710,229	1.86
BHP 1199	99,111	6,841,408	1.15	113,688	9,510,772	1.39
Other Robusta	127,649	9,804,843	1.27	155,566	14,487,395	1.55
ARABICA	648,551	78,912,759	2.03	497,105	72,337,792	2.43
Organic Okoro	14,780	2,223,496	2.51	24,554	4,203,751	2.85
Organic Bugisu	5,366	825,647	2.56	7,397	1,354,827	3.05
Bugisu Premium	1,280	211,642	2.76	-	-	-
Bugisu AA	105,779	14,235,760	2.24	44,589	7,225,979	2.70
Bugisu A	49,955	7,566,919	2.52	39,059	6,333,683	2.70
Bugisu PB	3,077	413,671	2.24	3,807	571,398	2.50
Bugisu AB	66,904	8,654,611	2.16	33,272	5,348,011	2.68
Bugisu CPB	16,040	2,069,469	2.15	7,020	1,0397,363	2.46
Bugisu B	3,919	489,223	2.08	684	98,910	2.41
Bugisu C	1,000	147,493	2.46	2,288	341,949	2.49
Mixed Arabica	5,800	566,353	1.63	4,480	458,056	1.70
Wugar	54,539	7,230,694	2.21	53,902	8,752,238	2.71
Drugar	254,762	29,073,469	1.90	223,125	31,467,114	2.35
Other Arabicas	65,350	5,204,314	1.34	52,922	5,142,801	1.62

The weighted average price for Robusta stood at \$ 1.47 per kilogramme, 24% down compared to \$ 1.94 realised in the previous year. The highest price among Robusta grades was \$ 1.67 for washed Robusta, which was 63 cents down compared to last year. Organic Robusta and Sc 18 both recorded the same price, \$ 1.60 although last year the

two grades had a price differential of \$ 0.23 in favour of organic.

Similarly, the weighted average price for arabica dropped from \$ 2.43 per kilogramme last year to \$ 2.03. The highest realized price among the arabica grades was \$ 2.76 for Bugisu Premium that went to the Specialty

markets. To further improve the earnings from arabica coffee, 5 Central Washing Stations in Mt. Elgon – Buginyanya (1 unit), Busulani (1 unit), Manafwa (1 unit), Busano (2 units) and Gibuzale (1 unit), – were under rehabilitation by the private sector.

Reasons for the downward trend hinged on both technical and fundamental factors. On the fundamental side, global supply was in the region of 135.1 m bags, outstripping demand by almost 6.2 m bags. On the technical front, the strength of the US dollar affected fund movement.

2.2.3 Export Performance By Individual Companies

Table 2.5 shows the performance of individual exporters in terms of quantity handled, percentage market share and cumulative market share during the year. Of the 39 companies that registered to export coffee during the year, 8 were new and 34 were active in export while the remaining five concentrated on secondary processing for others.

Table 2.5: Performance by Individual Exporters during the Coffee Year 2008/09

	Export Company	Quantity 60-Kilo Bags	% -age Market Share	
			Individual	Cumulative
	Grand Total	3,053,688	100.00	-
1	Kyagalanyi Coffee Ltd.	527,572	17.28	17.3
2	Kawacom (U) Ltd.	407,408	13.34	30.6
3	Ugacof Ltd.	285,198	9.34	40.0
4	Great Lakes Coffee Ltd.	271,351	8.89	48.8
5	Kampala Domestic Store	241,947	7.92	56.8
6	Lakeland Holding Ltd.	228,570	7.49	64.3
7	Savannah Commodities	225,619	7.39	71.6
8	Job Coffee Ltd.	221,151	7.24	78.9
9	Ibero (U) Ltd.	201,811	6.61	85.5
10	Olam (U) Ltd.	113,570	3.72	89.2
11	Pan Afric Impex Ltd.	73,055	2.39	91.6
12	Nakana Coffee Factory Ltd.	71,094	2.33	93.9
13	Wabulungu Multipurpose	61,829	2.02	96.0
14	Mbale Importers & Exporters	23,950	0.78	96.7
15	Union Export Services	22,594	0.74	97.5
16	Kaweri Coffee Plantation	12,223	0.40	97.9
17	Coffee World Ltd.	11,458	0.38	98.3
18	Bagain (U) Ltd	8,580	0.28	98.5
19	Gumutindo Co-operative Society	8,273	0.27	98.8
20	Coffee Services Ltd.	6,394	0.21	99.0
21	Busingye & Co. Ltd.	5,296	0.17	99.2
22	Bakwanye Trading Company	5,120	0.17	99.4
23	Libra Commodities Ltd.	3,582	0.12	99.5
24	Kamba Petroleum Ltd.	3,322	0.11	99.6
25	Kitasha	3,274	0.11	99.7
26	Yaka (U) Ltd.	2,331	0.08	99.8
27	Victoria Coffee Ltd	2,045	0.07	99.8
28	Ankole Coffee Producers' Co-operative Union	1,640	0.05	99.9
29	Anderson Investments Ltd.	1,080	0.04	99.9
	Others ¹	2,351	0.08	100.0

The top ten exporters together accounted for close to 90 percent (2.75 m bags) of the annual export volume. These were the

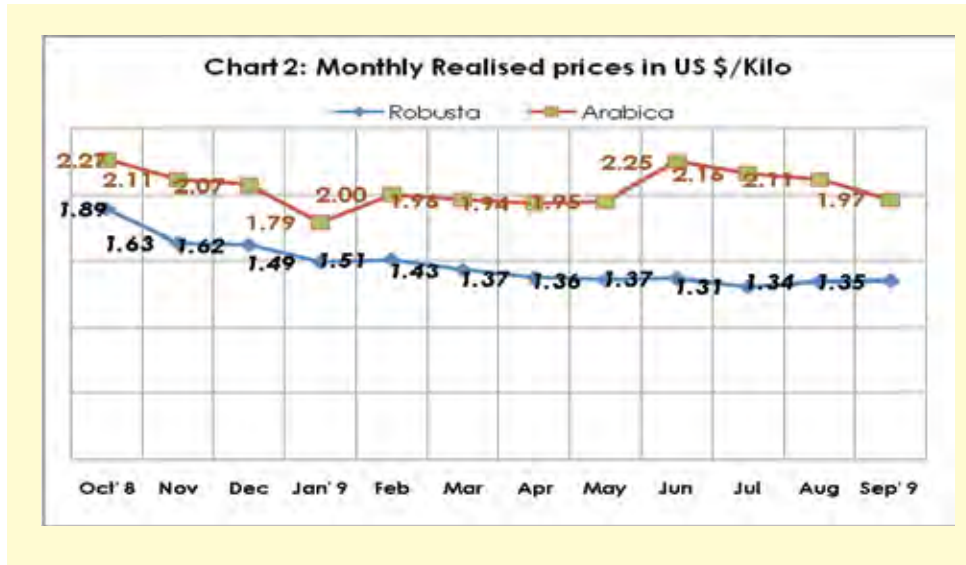
same as last year but with change in relative positions.

2.2.4 Realized prices at export level

Chart 2 below represents the movement of prices for both arabica and robusta at export level during the year. Prices of robusta exhibited a gentle negative trend throughout the year with a widening arbitrage between arabica and robusta. The price for arabica went up in June after realizing that world

arabica production in 2009/10 would be small due to Colombia's production forecast.

The realized robusta prices dropped from \$ 1.89 per kilogramme in October 2008 down to \$ 1.35 in September 2009, a drop of 28.6%. Similarly, arabica prices went down by 13.2% from \$ 2.27 a kilo in October 2008 to \$ 1.97 in September 2009.



2.2.5 Individual Coffee Buyers' Performance

Table 2.6 beneath represents the performance of buyers of Uganda coffee during the year in terms of quantity and market share. The ten top buyers held a market share of around 60%, approx 1.85 m bags, an increasing demand for Uganda coffee. These were more or less the same companies as last year but with

a slight shift in their relative positions. Ecom Agro Industrialists topped the list with 373,690 bags or 12.2% of total exports up from 11.8% last year, followed by Socadec – 11.5% (6.0%), Sucafina – 7.2% (12.4%), Bernard Rothfos – 6.7% (8.6%), Decotrade – 5.3% (3.1%), and so on. The figures in brackets represent their percentage performance last coffee year when a total of 3,210,603 bags were exported.

**Table 2.6: Performance by Individual Coffee Buyers
in the Coffee Year¹ 2008/09**

	Buyers	Quantity	% - age Market Share	
		60-Kilo Bags	Individual	Cumulative
	Grand Total	3,053,688	100.00	-
1	Ecom Agro Industrialists	373,690	12.24	12.2
2	Socadec	351,152	11.50	23.7
3	Sucafina	220,212	7.21	30.9
4	Bernard Rothfos	202,929	6.65	37.6
5	Decotrade	160,480	5.26	42.8
6	Volcafe	155,236	5.08	47.9
7	Olam International	137,770	4.51	52.4
8	Cofftea (Sudan)	95,460	3.13	55.6
9	ABACO International	77,010	2.52	58.1
10	Iconacafé	76,658	2.51	60.6
11	ALDWAMI	71,342	2.34	62.9
12	HACOFCO	60,962	2.00	64.9
13	Louis Dreyfus	59,248	1.94	66.9
14	Coex Coffee	53,100	1.74	68.6
15	Guzman	46,252	1.51	70.1
16	Tata Coffee (India)	42,640	1.40	71.5
17	Strauss Co	38,838	1.27	72.8
18	Aziende	36,868	1.21	74.0
19	Coffee Select	36,371	1.19	75.2
20	Hamburg Coffee	36,046	1.18	76.4
21	Golluckie	34,970	1.15	77.5
22	Luigi Lavazza	31,186	1.02	78.5
23	Elmathahib	25,900	0.85	79.4
24	Others ²	629,368	20.61	100.0

2.2.6 Coffee Exports by Destination

Table 2.7 shows Uganda's coffee exports by importing countries in volume and relative market shares. The main destination for Uganda coffee during the year were the countries in European Union, which all together took 2.31 m bags (75.7%) down from 2.57 m bags (80.1%) recorded in the previous

year. This was followed by Sudan with 0.43 m bags (14.1%) against a total of 0.44 m bags (13.7%) in 2007/08. Coffee to African countries totalled 436,622 bags (14.3%) down from around 466,000 m bags (14.5%) recorded in the previous year. The main destinations in Africa were Sudan, Morocco, Egypt and South Africa in that order.

1. Other include Green Holdings Ltd. – 898 bags, LD Commodities Ltd – 668 bags, Semliki Rift Trading Co. Ltd – 320 bags, Zigoti Coffee Works – 320 bags and Nile Highland Arabica Coffee – 145 bags.

2. Members of EU countries include: Austria, Belgium, Cyprus, Czech Rep., Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, The Netherlands and United Kingdom

Table 2.7: The Main Destinations of Uganda Coffee in Oct/Sep 2008/09

	Destination	Qty	% -age Market Share	
		60-Kilo bags	Individual	Cumulative
	Grand Total	3,053,688	100.00	-
1	EU ²	2,312,104	75.72	75.72
2	Sudan	429,981	14.08	89.80
3	USA	90,455	2.96	92.76
4	India	50,104	1.64	94.40
5	Switzerland	16,525	0.54	94.94
6	Israel	12,640	0.41	95.35
7	Syria	10,606	0.35	95.70
8	Singapore	9,018	0.30	96.00
9	Japan	7,920	0.26	96.26
10	Morocco	4,730	0.15	96.41
11	Australia	3,820	0.13	96.54
12	Egypt	3,735	0.12	96.66
13	Ecuador	2,560	0.08	96.74
14	Canada	1,787	0.06	96.80
15	Kenya	1,628	0.05	96.85
16	Republic of South Africa	1,278	0.04	96.90
17	Others	94,797	3.10	100.00

2.3 Internal Marketing

2.3.1 Registered industry players at post-harvest

Table 2.8 shows the numbers of registered coffee industry players at the various post harvest levels other than the coffee buying stores, which are handled by the district local

governments. There was an improvement in the total number of players from 305 last year to 347. The number of coffee exporters went up by 9, where 8 were new entrants in the export business. The number of grading factories has remained constant at 19.

Table 2.8: Registered subsector players at Post-harvest Value Addition Level

Industry Players	2008/09	2007/08	2006/07	2005/06
Exporters	39	30	28	27
Primary Processors	301	271	251	212
Roasters	7	4	6	6
Total	347	305	285	245

The number of registered primary processors continued to grow from 251 in 2006/07 to 271 in 2007/08 and to 301 during the year under review. The growth was attributed to a good crop in terms of volume and quality in the previous two years, arising from the ongoing coffee productivity enhancement programmes - the Coffee Production

Campaign, Replanting, Rehabilitation and Quality improvement - that focus on improving household income for growers.

Seven (7) roasters were registered against four (4) of last year. Some roasters kept out of business due to the high competition for good quality coffee beans. However,

that notwithstanding domestic coffee consumption is on the increase especially in the city and major towns.

5 washing stations in Mt. Elgon area located in Buginyanya, Busulani, Manafwa, Busano and Gibuzale underwent rehabilitation by the private sector.

2.4 Price Movements

2.4.1 Local prices

Table 2.9 beneath represents the realized monthly average farm-gate prices paid to farmers per kilogramme of Kiboko (dry Robusta cherries), Fair Average Quality (FAQ) and Arabica coffee parchment during the year.

Table 2.9: Realized Monthly Average Farm-gate Prices – Shs/Kilo

2008/09	Robusta		Arabica
	Kiboko	FAQ	Parchment
Oct - 2008	975	2,300	2,600
Nov	1,025	2,300	2,600
Dec	1,000	2,400	2,600
Jan - 2009	1,180	2,500	2,445
Feb	1,135	2,400	2,500
Mar	1,000	2,400	2,300
Apr	1,050	2,300	2,700
May - 2009	1,100	2,300	2,600
Jun	950	1,950	2,500
Jul	950	1,950	2,500
Aug	900	2,200	2,500
Sep - 2009	800	2,200	2,500
Average	1,010	2,270	2,530

Some farmer groups in Bushenyi, Masaka, Mukono, Wakiso and Luweero districts through collective marketing processed their coffee into FAQ and sold it direct to exporters at better prices. Some farmer groups such as one in the Mt. Rwenzori region, Bukonjo Cooperative Society, shipped a container lot – 20 tonnes – direct to United States of America; and Nile Highland Arabica Coffee exported 145 bags to Canada. Farmers of these coffee received Shs. 3,800 per kilogramme of arabica parchment, 45% above the conventional market. Those in the Mt. Gorilla area under various projects in Kisoro district received solar panels, water tanks, tarpaulins, heifers and farm implements on top of the good price.

2.5 Domestic Coffee Consumption

Increase in domestic coffee consumption is seen as one of the ways of improving the quality of coffee on the market thus household incomes. UCDA, along with other industry stakeholders - East African Fine Coffees Association (EAFCA), Coffee Quality Institute (CQI) of USA, LEAD-USAID- (Livelihood and Enterprises for Agricultural Development), Uganda Chamber of Commerce and Industry, NUCAFE (National Union of Coffee Agri-business and Farm Enterprises) - took the following practical steps to stimulate coffee consumption among Ugandans:

2.5.1 Participation in Trade Fairs and Shows

(i) To create awareness and promote good brewing practices, UCDA together with Star

Coffee, Zigoti Coffee, One Café and ML Main Traders served coffee at trade fairs and shows - UMA International Trade Fair in October 2008, World Food Day in Kasese in October 2008, Eastern Region Trade Show in Mbale in May 2009, Jinja Agricultural Trade Show in July 2009, and Western Trade show in Mbarara.

(ii) UCDA joined the Department of Food Science and Technology (DFST), Makerere University in a one-week celebration to mark the twenty (20) years of its existence. During the period, preparation of Espresso and Cappuccino coffees featured prominently and served to participants mainly the youths. The occasion was presided over by His Excellency, the President of the Republic of Uganda, Yoweri Kaguta Museveni, who urged Ugandans to add value to agricultural products for better returns; and assured the Food Scientists of government's continued support to enhance food technology.

In the 3-day DFST conference and exhibition, UCDA presented a paper on quality and competitiveness - one of the major factors affecting domestic coffee consumption. Other papers hinged on standards, another

key factor impacting on domestic coffee consumption.

(iii) UCDA continued to participate in monthly Corporate League outings that ran from March 2009 to September 2009 through which Uganda coffee was served to corporate members.

2.5.2 Barista Championships

In conjunction with EAFCA, UCDA organized the second Uganda National Barista championship (UNBC), which took place at Sheraton Hotel in March 2009. There were 26 competitors and Mr. Roberts MBABAZI of Flavours Café in Jinja emerged the Champion. He represented Uganda in the World Barista Championship in Atlanta, USA in April 2009 and emerged 42nd overall. The Barista concept and the competitions therein have brought a number of youths, especially from the tertiary institutions, on board and some of them have set up Coffee Clubs in their respective institutions through which annual inter-university Barista Championships shall be held.

2.5.3 Know Your Cup (KYC)

The concept of Know Your Cup, whereby farmers are given the opportunity to taste their coffee, was introduced to farmers in Eastern Uganda. This has greatly improved the quality of coffee from the area as farmers do appreciate the effect of good handling on the cup. The concept is slowly being rolled out to other regions for overall improvement in quality; and promotion of domestic coffee consumption.

2.6 Consumer Perception Survey

A market survey to assess consumer perception on coffee was carried out in four (4) regions: Central (Kampala district), Eastern (Jinja and Mbale districts), Western (Mbarara district) and Northern (Lira district) during the year. The respondents totalled 500 and were drawn from hotels, cafés, restaurants and guest houses; and the response was 80%. The highest response was in the Central region with 88% and lowest in Eastern region. Perceptions on how consumers viewed coffee on the market were ascertained. Demographic characteristics of the respondents and how they impacted on coffee drinking were also captured.

The correlation between coffee consumption (measured by the average number of coffee cups taken per day) and income, age, gender, employment, marital status was ascertained. Barriers to coffee consumption were also identified; and recommendations to increase domestic coffee consumption highlighted in the draft Domestic Coffee Consumption Strategy.

2.6.1 Consumer perceptions

A coffee consumer perception survey involving 500 respondents drawn from cafés, coffee shops, restaurant and hotels was conducted during the year in four (4) regions. The survey identified the major brands on the

market, factors hindering growth and how consumers perceive coffee drinking. Below is the summary of the findings.

2.6.2 Findings

- 2.6.2.1. 47% of the respondents consumed the Nescafe coffee brand, 10% Nguvu, 8% Star Coffee (both R&G & Instant), 7% Africafé and 28% other brands.
- 2.6.2.2. Close to 50% of the respondents agreed that the quality of coffee brands on the market in the last two years had improved, while 20% strongly agreed to it. Only 22% didn't agree that the coffee quality had improved.
- 2.6.2.3. In terms of home and out-of-home consumption, 36% of respondents take coffee from home only while 30 % from restaurants and hotels. Around 15% take coffee from home and restaurants and hotels while 19% take coffee in other places like offices.
- 2.6.2.4. Over 40% of the respondents earned Shs. 400,000/= or more per month. Also this category had the highest proportion of respondents who consumed 1-2 cups of coffee per day (42%) compared to the other income categories.
- 2.6.2.5. There was statistically no significant difference in the average number of coffee cups consumed per day between those respondents who were married and those who were single. Nonetheless, married respondents who consumed coffee constituted 57% of the respondents.
- 2.6.2.6. In the sample, 46% of respondents were not consuming coffee. Close to 37% of the consumers do not take coffee for health reasons, being the highest reason for non

⁴About the dynamics of the global coffee industry.

⁵Ms. Clare Rwakotogoro, UCDA Assistant Quality Controller was the first runner-up.

coffee consumption followed by unavailability of good quality coffee and a high price.

- 2.6.2.7. In the sample, 69% were employed, 22%, self-employed and only 5% students. Still they took mostly 1-2 cups per day. This calls for more sensitization especially to the employed since they are perceived to be having higher disposable incomes that could be spent on consumption of delicious cappuccino or espresso in any café or hotel.
- 2.6.2.8. Regarding correlation between age and coffee consumption proxied by the number of coffee cups consumed per day, there was a high concentration in the 20-29 years and 30-49 years categories which are major prime areas for consumption growth. However, majority in both categories still take 1-2 cups of coffee per day.
- 2.6.2.9. In regard to sensitization of the public on coffee drinking, consumers from the following regions agreed to have been sensitized: Central-21%; Western-36%; Eastern-44% and Northern Northern-16%; this shows that most consumers are not aware of good coffees.
- 2.6.2.10. On consumer perception about coffee, the age categories of 20-29 years (youth) and 30-49 years had almost the same perceptions towards coffee as a healthy beverage with 43% & 45%, respectively agreeing.
- 2.6.2.11. Consumers agreed more to coffee improving on their mental alertness, with those who agreed- being the highest with 41%, while those who agreed strongly were 26% of the

total number of respondents. Such perceptions could relatively boost on domestic consumption especially if it were used on the packaging/labelling as an advert.

- 2.6.2.12. Male respondents strongly agreed (17%) and other males agreed (41%) that coffee is a social experience while only 23% disagreed and 6% even more strongly. It can be deduced that 58% of the male respondents generally agreed that coffee is a social experience. For females, only 10% strongly agreed and 36% agreed that it was so. Nearly 18% of respondents were indifferent.
- 2.6.2.13. In regard to coffee pricing, 33% agreed to coffee as more expensive than other beverages while 19% strongly agreed to this. On the other hand, 29% disagreed to coffee as a more expensive beverage than the others, while just less than 2% of the respondents strongly disagreed that it was so. Generally, consumers still perceive coffee as more expensive than other beverages.
- 2.6.2.14. Respondents ranked the following as critical in increasing domestic coffee consumption: advertising/promotion; sensitization; reduction on price; improve coffee quality and better packaging in that order.

2.7 Closing Stocks

Table 2.11 shows the coffee balance as at the close of the year as 476,033 bags consisting of 399,923 bags of robusta and 76,110 bags of arabica; and coffee consumed internally during the year was estimated at around 185,000 bags.

Table 2.10: Uganda's Coffee Balance

Oct 2008-Sep 2009	Robusta	Arabica	Total
Opening Stock	340,542	39,012	379,554
Total Production	2,609,518	725,649	3,335,167
Availability	2,950,060	764,661	3,714,721
Domestic Coffee Consumption	145,000	40,000	185,000
Exports	2,405,137	648,551	3,053,688
Closing Stock	399,923	76,110	476,033

2.8 Outlook for 2009/10

2.8.1 Uganda's coffee exports in 2009/10 were pegged at 3.0 m bags on the account of the long dry spell that coincided with the off cycle for robusta.

The ongoing productivity enhancement programmes: coffee production campaign, replacing the old and less productive coffee trees, and setting up rehabilitation demos through which good agronomic practices are passed on to farmers shall continue to be implemented.

2.8.2 World production¹ 2009/10 is envisaged to hover at around 124.7 m bags down from 128.1 m bags realized in the previous year. The likely drop being ascribed to Brazil's off biennial production cycle and low production in Colombia and Central America due to prevalence of the Broca disease.

2.8.3 World coffee consumption is projected at 134 m bags in 2010, a 2.2% growth from the previous year in spite of the global economic crisis. Growth is more pronounced in emerging economies and producing countries, which account for 28% total demand.

2.8.4 With global production down against a 2.2% rise in consumption coupled with tightness in supply of Colombian and other Milds, coffee prices are envisaged to go up to the benefit of the ordinary coffee farmers.

²Source: www.ico.org

Chapter Three

QUALITY AND REGULATORY SERVICES

3 Technical Extension Services

Technical extension services continued to be provided to industry players at post-harvest and value addition levels – buying stores, primary processing, roasting and export grading. At all these levels, good hygiene and manufacturing practices were emphasized through one-to-one training, workshops and radio messages.

3.1.1 Field training

A total of 494 industry players – factory workers (258), processors (83) and traders (153) – were trained in good handling and manufacturing practices. Members of the respective district

coffee platforms under the coffee production campaign also benefited from the training.

3.1.2 Field quality evaluation

Table 3.1 gives results of the analysis of Natural Robusta coffee in terms of Out-turn (the dry robusta coffee cherries to FAQ); and screen distribution per coffee growing zone.

- Out-turn ranged between 54.2% and 57.8% with an average of 56.2%, a drop from 57.3% recorded a year ago, which is attributed to the drought that hit robusta growing areas. The least outturn was recorded in Eastern region while the highest was in Southwestern.

Table 3.1: Average Out-turn and Screen size distribution of Robusta Coffee per Zone³

COFFEE ZONE ³	COFFE YEAR	OUT-TURN (%)	SCREEN RETENTION (%)			
			1800	1500	1200	<12
1. South Western	2006/07	58.1	16.5	65.0	16.9	1.6
	2007/08	58.8	14.6	61.3	22.3	1.8
	2008/09	57.8	14.2	60.5	23.4	1.9
2. Western	2006/07	55.2	13.3	67.0	17.9	1.8
	2007/08	56.9	15.6	65.1	17.7	1.6
	2008/09	56.1	15.2	64.7	18.3	1.8
3. Masaka	2006/07	56.5	15.9	61.8	21.2	1.1
	2007/08	56.4	15.3	61.0	22.3	1.4
	2008/09	57.1	14.9	61.7	21.8	1.6
4. Central	2006/07	56.1	12.9	58.8	25.7	2.6
	2007/08	56.7	13.5	61.3	23.3	1.9
	2008/09	55.8	13.1	60.8	23.4	2.7
5. Eastern	2006/07	56.0	14.2	60.0	24.1	1.7
	2007/08	55.8	12.1	58.9	26.9	2.1
	2008/09	54.2	12.2	58.5	27.5	1.8

- Sc 18 retention slightly improved in Eastern region from 12.1% last year to 12.2% although it was the least recorded compared to other regions during the year.

In all the other regions the retention for Sc. 18 dropped compared to the previous year. For example in South-western region it fell from 14.6% to 14.2%.

3. The districts in the Robusta Coffee Zones are: South Western - Ntungamo, Mbarara, Bushenyi, Rukungiri & Kasese, Western - Kabarole, Kibaale, Hoima, Kiboga & Mubende, Masaka - Masaka, Rakai, Sembabule & Kalangala, Central - Mpigi, Luwero, Nakasongola, Wakiso, Kayunga & Mukono, Eastern - Jinja, Iganga, Kamuli, Mayuge, Kaliro, Namutumba & Bugiri.

3.1.3 During the enforcement of the Coffee Regulations, 76 primary processing factories were suspended from operations for two weeks due to poor hygiene and processing of coffee with high moisture content.

3.2 Quality Assurance

3.2.1 Deliveries at export grading facilities

FAQ deliveries at the export grading factories were generally of good physical appearance with Moisture content ranging between 13% and 15%. Out-turn for FAQ to exportable grades averaged 93% in the case of robusta.

Of the lots presented for export, 42,403 bags

(1.4%) were referred for reprocessing largely due to physical defects such as low screen retention, discoloureds and high moisture content. This coffee was later exported after remedial action.

3.2.2 Liquoring Report

There has been a steady improvement in the quality of coffee exported as based on the percentage of clean cups in the last five (5) years from 92.9% in 2004/05 to 97.1% last year as indicated in Chart 3 below. This was attributed to improved handling practices within the entire supply chain, an effect of the training programme and working with local government.

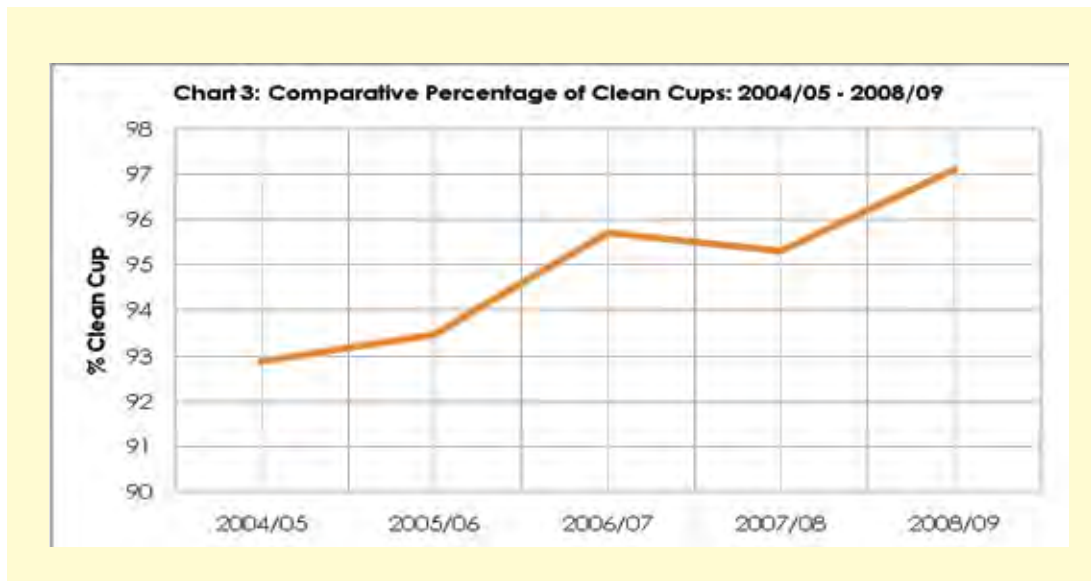


Table 3.2 below gives the percentage of clean cups for each type of coffee and grade. The Bugisu Arabicas continue to show a high percentage of clean cups from an average of 97.5% last year to 98.3%. Bugisu PB scored the least (94.5%) while Bugisu A scored the highest (100%) followed by Bugisu AA at 99.6% and Wugar at 99.4%. The cup quality of Natural Arabica (Drugar) also improved from 94.9% last year to 98.1%.

Although there was a slight improvement in the cup of washed robusta coffee from 92.1% last year to 93.0%, the cup fell below the average for Natural robustas of 95.8%. Handling, especially at the drying stage, continues to be a challenge for washed coffee. Operators of wet mills require more training in Good Handling Practices (GHPs) and investment in dry facilities.

Table 3.2 Comparative Percentage of Clean Cups: 2004/05 - 2008/09

TYPE	GRADE	2008/09	2007/08	2006/07	2005/06	2004/05
Bugisu Arabica	AA	99.6	97.3	98.3	95.5	95.9
	A	100.0	98.6	97.1	97.2	96.1
	AB	99.0	96.1	95.9	92.4	93.9
	PB	94.5	97.6	93.3	98.1	95.6
	B	98.3	97.8	97.7	92.9	98.6
Other Arabicas	Wugar	99.4	98.8	96.2	96.5	95.5
	Drugar	98.1	94.9	92.7	90.3	86.9
Natural Robusta	Sc 18	94.8	94.2	90.6	87.8	86.8
	Sc 17	96.2	93.2	95.6	86.4	89.7
	Sc 16	-	-	100.0	97.6	92.8
	Sc 15	95.6	95.8	91.5	89.1	87.9
	Sc 14	96.6	98.2	93.6	89.2	87.1
	Sc 13	95.6	92.9	100.0	90.5	89.3
	Sc 12	95.8	91.9	90.3	88.4	87.2
Washed Robusta	Ungraded	93.0	92.1	96.7	100.0	100.0
Organic Coffee	Bugisu Arabica	97.6	97.1	100.0	96.4	100.0
	Okoro Arabica	-	100.0	93.2	100.0	100.0
	Robusta	100.0	83.9	100.0	95.2	89.3
Annual Average		97.1	95.3	95.7	93.5	92.9

There was a general improvement in the cup quality of organic coffees: Organic Robusta was rated 100% up from 83.9% last year and Organic Bugisu slightly rose from 97.1% to 97.6%. This was attributed to the strict internal control systems (ICS) in place. Farmers have adopted use of nitrogen fixing plants, mulching, application of farm yard manure, and integrated pest management (IPM) in their farming system.

Organic coffee has continued to account for a bigger percentage, 60%, of specialty coffee exported from Uganda. These coffees are process certified/verified, handled in very structured and prescribed ways to meet ethical, health, and environmental standards, and consumer tastes.

3.2.3 Cup Defects in Natural Robusta

There was an improvement in the percentage of clean cups for natural robusta from 94.0% registered in the previous year to 96.0%. That is the percentage of defects recorded stood

at 4.0%; and was composed of: Taints – 36%, Earthy – 28%, Over-fermentation – 20%, Potato – 13%, and Others² – 3%. Over-fermentation which has been a challenge over the years drastically reduced from 35.7% in 2007/08, a reflection of intensified vigilance of the field staff and local leaders in enforcing the coffee regulations.

3.2.4 Taste of Harvest

Under the taste of harvest competition, five (5) coffee samples were fielded from farmers and farmer groups; and the performance of the coffees was as follows:

- Best was 'Coffee Cheema' presented by Farmers Association in Kapchorwa District;
- Second was 'Buwalasi Coffee' by farmers association in Sironko district;
- Third, was 'Bugisu AA' by Kawacom (U) Ltd. Kawacom works with farmers around Sipi falls;
- Fourth, was 'Kaptanya Coffee' by

³ Others include: Woody, winey, bitter, harsh, grassy, and musty

farmers association in Kaptanya area in Kapchorwa district; and

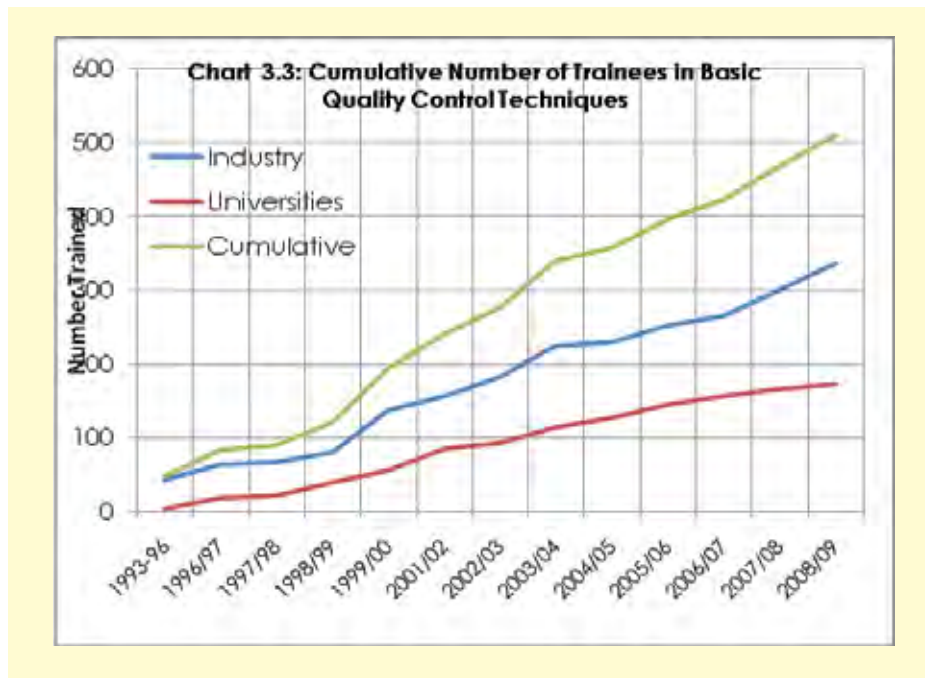
- Fifth, was 'Bukonzho Arabica' from Bukonzho Joint Cooperative Society in Kasese district.

Under this initiative (Taste of Harvest), coffee is tasted by a panel of experts and awarded scores according to quality attributes such as fragrance, body, flavour, aftertaste, acidity, etc. This coffee is presented to buyers through bidding. Farmers are given a feedback showing areas of further improvement.

3.3 Training in Quality Control

3.3.1 Basic Quality Control training

Training in Basic Quality Control was a major activity of the department in 2008/9. A total of 42 participants – 30 drawn directly from the coffee subsector and 12 came from the universities under internship: Makerere University (5) and Kyambogo University (7) - were trained in the basic quality control techniques, which include physical and sensory analyses. The training is geared towards building capacity for sub-sector to handle matters of quality towards total quality improvement at all levels. Chart 3.2 gives cumulative number of trainees over the years.



3.3.2 Roaster training

Working with the USAID-LEAD³ project and CQI, twenty (20) local roasters drawn from Mbale Co-operative Union (BCU), Star Café Ltd., Good African Coffee, Zigoti Coffee, Kawa Kawoamera, MTL Main Traders and Kampala Jellitone Supplies were trained in good commercial roasting, branding and packaging practices for a period of one week. The main facilitator was Mr. Davidson Chris of Atlas Coffee USA. Through this training, the quality of roast & ground coffee on the

³ Livelihood and Enterprises for Agricultural Development

market has improved as indicated by the consumer survey.

3.3.3 Barista training

In order to promote domestic coffee consumption, a Barista training programme was developed and 21 Baristas were trained during the year. Of these, 17 participated in the second Uganda National Barista Championship (UNBC) that took place at Kampala Sheraton Hotel. And Mr. Roberts MBABAZI from Flavours café in Jinja emerged

the best, followed by Peter MUSANA of Serena Hotel and Brenda ALANYO of Bancafé. Roberts later represented Uganda in the World Barista Championship in Atlanta, USA. The training was conducted by two (2) international trainers Mr. Peter OWITI (Kenya) and Shane (Canada). And among the trainees were students from universities and café operators.

In addition, to develop internal capacity in Barista training, two (2) UCDA Quality Controllers – Edmond KANANURA and Clare RWAKATOGORO – trained as Barista trainers and Judges in Portland, USA for 2 weeks.

3.3.4 Q Coffee Grading System

With support from the USAID-LEAD Project, Coffee Quality Institute (CQI), USA two training sessions were conducted in which the concept of Q-grading system was introduced to Ugandans. A total of twenty six (26) Q-Graders and eight (8) Star-Cuppers drawn from the coffee industry were licensed as graders for the Specialty markets.

3.3.5 Robusta Symposium

UCDA in conjunction with USAID/LEAD Project and CQI (USA) held a one-week symposium to develop Robusta coffee protocols for the Specialty market segment. The Symposium, which was officially opened by Hon. Olive WONEKHA, Woman MP of Bududa district and Chairperson of the Sectoral Committee on Agriculture, Animal Industry and Fisheries of Parliament, attracted 18 delegates from the USA (3), UK (1), Brazil (2), India (1), Cameroon (1), Tanzania (1) and Uganda (8). She thanked the organisers for bringing the protocol symposium to Uganda and called on the participants to contribute to the draft protocol document.

The training, which was conducted by Mr. Ted Lingle, the Executive Director of the Coffee Quality Institute, developed Robusta coffee protocols for further scrutiny by other experts

in order to come up with quality standards acceptable to the Specialty market.

3.3.6 Training in Organic Production

Uganda participated in a three-week international seminar on organic agriculture held in Israel. Issues related to standards and accreditation of inspecting bodies, audits of organic operators and the future of organic farming were addressed. At the end of the seminar, participants from the East African region: Kenya, Tanzania, Ethiopia and Uganda and Nigeria were abreast with organic production and how organic farmers could improve their productivity through use of composting, mulching and crop rotation. Participants appreciated the viability of engaging in organic farming especially for small farmers. Uganda was represented by four (4) participants from Ugocert, National Organic Agricultural Movement of Uganda (NOGAMU), AMFRI Farms (an organic vegetable & fruit herbs) and UCDA.

Relatedly, a team of experts from the University of Florida conducted a two-day training seminar on organic production for UCDA technical staff and potential inspectors from Makerere University. The objective was to develop national capacity in National Organic Programme (NOP) of USDA⁴ legal requirement and also equip extension advisors with necessary skills for organic coffee production.

⁴ United States Department of Agriculture

Chapter Four

COFFEE DEVELOPMENT PROGRAMMES

4.0 INTRODUCTION

Under the Coffee Production Campaign Initiative whose objective is to raise annual exportable coffee production to 4.5 million bags (270,000 tonnes) by 2015, UCDA continued to consolidate successes registered in previous programmes, besides developing additional new programmes to attain this objective. These programmes are aimed at increasing coffee production through new planting and increasing yield of the old coffee trees. These programmes include:

- Promote generation and production of clean planting material through seed sourcing, tissue culture, and support to Clonal propagation;
- Promotion of coffee replanting through support to community based and private commercial nurseries; and direct provision of seedlings to various farmers / groups
- Coffee Rehabilitation through improvement of yield of the old coffee trees by setting up demonstration sites at various community locations for purposes of training; and direct support to willing farmers in rehabilitation through pruning, stumping and soil amelioration.
- Support to Coffee development in new areas especially Northern Uganda by integration of commercial coffee production into the area's farming system
- Promotion of Sustainable Coffee Production Initiatives such as Organic, Utz-Certified, 4Cs, Fair Trade and washed robusta so as to increase the unit value of coffee at farm - gate level.
- Continued deliberate support and

strengthening of the Coffee Research Centre (COREC) by provision of financial, technical and material support.

- Promotion of collaborative participatory coffee Extension along with the stakeholders and other development partners.

4.1 Promotion of production of planting material

Under this programme, the objective is to create a sustainable demand driven initiative in production of coffee seedlings. This involves direct sourcing and provision of clean certified seed to various farmer groups and private commercial nursery operators. Support is also given to public and private institutions involved in generation and multiplication of clean planting materials. Key achievements under this programme included;

- 18,500 Kgs of Elite Robusta and Arabica seed were procured and distributed to the community based nursery (CBNs) groups through Field Officers, Local leaders, Political leaders, organized farmer Associations and Groups
- 300 Kilogrammes of *Albizia* tree seed were procured and distributed to farmer groups mainly in Northern Uganda. This is envisaged to generate around 4.5 m seedlings.
- 14,500 Kilogrammes of polypots procured and distributed to beneficiaries of the coffee seed, and to the special project in Northern Uganda
- 882 Community based nurseries have been established to date, with a production capacity of 12.18 million

seedlings. During the season, 9.48 million seedlings were planted by the communities and other interested farmer groups.

- Continued support was given to the former MAAIF mother gardens, now under private ownership, mainly to produce Clonal plantlets, whilst preserving the Clonal germplasm for further research development and breeding purposes. 7 former Nurseries were supported, and are now in production, and a total of 45,000 clones procured for various farmer groups in Eastern, Central and Western Regions
- Recognizing the role played by private nursery operators in making available clean planting materials, 18 Private Clonal nurseries were supported. In this regard, MOUs between UCDA and the operators were signed outlining collaborative arrangements.
- Tissue Culture - with release of 7 new lines resistant to CWD, support was given to new technologies that shall ensure a rapid and efficient method of plantlet generation. In collaboration with COREC direct financial and material support was given to the tissue culture laboratory at Kawanda to speed up the generation of these lines for onward multiplication by private nurseries.
- To ensure a sustainable source of clean and certified seed for the various nurseries, 2 Arabica seed gardens were rehabilitated – (Zombo in Nebbi and Buginyanya in Sironko). Both of these sites are estimated to generate 5000Kgs of clean seed annually from 2009/10 season.
- As part of our activities of introducing and promoting coffee in New areas, especially in Northern and North eastern Uganda, 1 Robusta seed gardens was rehabilitated (Ngetta in Lira) and 1 new

set up (Serere in Soroti). Both of these sites will generate at least 1500 Kilogrammes of clean seed annually from 2010/11 season. Besides these areas being self sustaining in seed sourcing, there will be minimal movement of planting materials over wide areas, thus minimizing disease and pest spread.

4.2 Promotion of Coffee Replanting

The main objective in this programme is to mobilize communities for sustainable coffee planting. This involves planting seedlings that are raised under the community based nurseries, private commercial nursery initiatives and seedlings procured and supplied by UCDA and other institutions under various arrangements. The beneficiaries of these activities are either individual farmers or group of farmers or individual commercial farmers. Under this programme the following were achieved;

- Seedlings raised under the demand driven Community based nursery initiative were planted by members of the community and other interested farmers groups. 9.28 million Seedlings were planted.
- In addition, private nursery operators supplied 4.5 million seedlings for planting under various arrangements. NAADS, Local Governments, Non Governmental Organizations, Community based Organizations and Commercial entities were the major institutions that distributed these seedlings to various beneficiaries. UCDA in special intervention sourced some of these plantlets for various beneficiaries.
- Exporters having specific programmes with farmer groups to increase productivity and hence farmers' earnings were supported with 60,000 seedlings to give to farmers;
- This is an affirmative action to encourage

the youth to be involved in coffee planting, and farming in general. 50,000 seedlings given to Organized Youth groups in Nebbi, Kapchorwa, Iganga, Mityana and Mubende;

- 45,000 seedlings given to women group in Iganga district. This is in recognition of the role women play in coffee farming;
 - Because of the favorable weather, and increased interest in coffee growing by various farmers and groups, 3.5 million seedlings were procured by UCDA and given for planting through various arrangements in all the coffee growing districts; and
 - Under the Public Private Partnership, Kaweri Farmer alliance was supported with 40,000 seedlings for the farmer groups. In addition the new project in Luweero was also given 40,000 plantlets. This was a stop gap measure to ensure speedy planting, as nursery development progresses.
- To improve on the learning and adoption process by the farmers, 55 demonstration sites were established in 43 sub counties in 31 districts; and were supported with fertilizer and manure. The Rehabilitated coffee fields are good looking and show potential of high yields, thus acting as a 'see to belief' initiative. They are also being used in the 'farmer field school' extension initiative through which farmers share experiences in the field and put in practices ideas seen as the 'best practice'. More farmers are now adopting the practice of stumping and pruning their coffee, as a result of this initiative.
 - As part of the initiative to speed up and encourage farmers to rehabilitate their coffee, competitions were organized for all farmers throughout the country.
 - The competitions were based on adoption and implementation of the good agricultural practices. The best 100 performing farmers under the competition will be rewarded with various items (hand pulpers, tarpaulins, drying trays, solar panels).
 - In addition 3 farmers in Masaka and Rakai were rewarded with solar panels for exemplary level of coffee farm management and adherence to good agricultural practices.
 - Under the specialty coffee development initiative, farmers practicing organic farming in Kisoro had a competition among themselves and were awarded – 5 solar panels; 5 Heifers; 5 hand pulpers; 5 rolls of drying mesh; and 6 water tanks. Part of the equipment is to create more capacity of the farmers to increase the quantity and improve the quality of the organic coffee that they produce.

4.3 Coffee Rehabilitation

This strategy is to improve the yield per tree from at least 0.5 kg to 1.0 kg of clean coffee. This is because a good number of coffee trees are estimated to be over 40 years old, and their productivity has greatly diminished. The initiative is to create the necessary support infrastructure, training and sensitization of farmers to stump and prune the old coffee trees, besides the additional replanting. The following were achieved:

- In recognition of the overgrown nature of the coffee and shade trees, and to speed up the process of stumping and pruning, tool kits were provided to all field staff (Power saw, Secateurs, Pruning saws and Pangas) to facilitate them and farmers /farmer groups with the process of coffee rehabilitation

4.4 Support to Coffee Development in Northern Uganda

One of the strategies of developing the coffee sub sector taken by UCDA during the recent past is continued development of commercial coffee production in the non-traditional coffee areas, (New Coffee Areas), including among others the Mid-Northern Uganda in the districts of Apac, Gulu, Kitgum, Lira and Pader and of recent Oyam, Amolata, Dokolo and Amuru.

The major goal is to create wealth and improve the welfare of the people in the nontraditional coffee growing areas to ensure food security through enhancement of the peoples' purchasing power through commercial coffee production. It was also envisaged that such an approach would provide a fallback position for coffee amidst Coffee Wilt disease attacks in traditional coffee areas.

A four year project was developed as a Special Intervention for Commercial Coffee Production in the Mid Northern Uganda.

The main objective of the intervention is to: -

- To support adoption of production of coffee as a perennial cash crop grown on commercial basis in the Mid-Northern Uganda districts.
- To incorporate coffee/banana farming in the existing farming system of the region.

The programme though partially funded, made significant achievements in its first year of implementation:-

- 142 sensitization workshops and seminars were held for the local leadership and other stakeholders. The main message in these seminars and workshops was the benefits of integrating coffee in the farming system, and how this would translate into increased household

incomes for the people. In addition bi-weekly Radio programmes were aired: 2 spot messages and 19 announcements of UCDA programmes

- Farm group formation has been identified as one of the key processes needed to speed up sensitization and transfer of technologies to the farmers. A total of 42 Farm level organizations were formed and 20 workshops conducted. The workshops addressed issues of governance, leadership, business skills, farmer field extension, coffee quality, post harvest handling practices and market development.
- As the population resettles after the post war era, there is need to create a low cost, fast and sustainable mechanism of accelerated replanting by providing clean planting materials. A total of 65 Community based Nurseries formed to date, with a capacity to produce at least 700,000 seedlings per season were set up. Farmers will be able to generate cheap planting materials and also improve their knowledge on coffee nursery management.
- In addition to hands-on participation at the community based nurseries, a total of 12,300 farmers trained in Coffee Nursery management and agronomic aspects. This is aimed at improving the general coffee knowledge for all farmers, including potential private nursery operators.
- It has also been observed the traditional front line extension staff especially at the sub- county level; do not have adequate knowledge on coffee production value chain. A total of 48 Sub County Extension workers were trained on coffee good agricultural practices and good post harvest handling practices
- Mid Northern Uganda is among the new areas of expansion to achieve increased

volumes, besides being an area relatively free from Coffee Wilt Disease. To minimize incidences of spreading CWD from the Southern parts of the country, programmes were put in place to ensure generation of clean planting material from within the region. Ngetta seed garden was rehabilitated, and will come into production in 2010/2011, with at least 1000Kgs of clean elite Robusta seed. This will be supplemented with supply from 5 local farmers who have been given material support and technical training to prepare and supply seed especially for the community based nurseries.

- The adoption rate of coffee as a commercial crop has been affected by the limited availability of relevant technologies on coffee production at farm level and inadequate training of local technical staff in coffee husbandry and extension. As a result, 22 technology development sites were set up with Coffee, bananas and shade trees. These are centres of excellence that aid in training and sensitization of farmers on new technologies in coffee agronomy. This is in addition to coffee demonstration plots that were established between 1993 and 2004. However, due to the effects of the war most of those established were abandoned to be smothered by weeds and consequently destroyed by bush fires.
- Farmers were supported to raise coffee in commercial quantities and dry it to the best level of quality. Appropriate technologies have also been identified for value addition – adoption of wet processing. Group marketing and formation of higher level farmer organizations was started for bulky marketing. Organized farmers were trained in post harvest handling and also encouraged to develop the processing capacity. Consequently 2 workshops on Coffee Processing and

Market development were conducted, and on - farm post harvest materials given to farmer groups. The capacity to introduce processing facilities has also been created.

- The resettlement process has been relatively smooth and faster than earlier anticipated. Due to the time lag in creation of seedlings through the community based nurseries, 'ready to plant' farmers/farmer groups were supported for immediate planting and replanting. A total of 60,000 plantlets distributed and planted.
- As part of collaborative arrangement with other institutions, a memorandum of understanding was developed with the Uganda prisons department. Support was given to the Lututur prison farm to plant at least 80 acres of coffee. A nursery was set up where 65,000 seedlings were raised for the Prison Farm and the neighbouring farmers. A demonstration plot was also set up for purposes of training and demonstration of coffee agronomy to the farmers.

4.5. Promotion of Sustainable Coffee Production Initiatives (E.g. Organic, Utz Certified, 4Cs, Fair Trade)

- In order to identify and plan for support to these new initiatives, which are on the increase, a database of farmers participating in specialty coffees was compiled. And the volume traded in these markets has continued to grow, for example Organic coffee exports went up by 23% from 38,456 last year to 47,249 bags in 2008/09; and the weighted average price stood at \$ 2.39 per Kg.
- Some of the groups include:-
 - Gumutindo in Bugisu Region for Organic coffee with 6,131 farmers

- Kawacom (U) Ltd in Kapchorwa, Nebbi and Bushenyi - Organic with 15,300 farmers)
- Kibinge Coffee Farmers in Masaka for Utz Certified – 3,000 farmers.
- Kyagalanyi Coffee Ltd. in Mukono (4Cs verified – 5,000 farmers).
- Ibero (U) Ltd. in Luweero and Masaka (Organic- 9,000 farmers)
- Kisoro farmers (Organic – 50 farmers)
- Kiima Foods in Kasese (Organic – 1,000 farmers)
- Reco – Organic Export – Kasese (organic 2,258 farmers)
- In addition, pilot districts were chosen and training, especially on organic coffee production was done. This included Kisoro, Kapchorwa, Sironko, Nebbi, Kasese and Luweero districts.
- Due to lack of standardized and recommended crop pesticides for the organic crop production, trials on local formulations were done to test their efficiency. 100 litres of a local formulation were tried on organic farms in Kisoro district. In addition a Memorandum of understanding between UCDA and Mountain Gorilla Organization from the USA was signed. The main objective is to link the firm to Kisoro farmers for support and export of organic coffee to the US market. At least 800 Kilogrammes of coffee were exported on a trial basis.
- As an initiative to create sustainable source of manure and other soil amendment materials for the organic farmers, a collaborative baseline survey was done together with Heifer International in the districts of Sironko, Kapchorwa, Kasese, Iganga and Luweero. The results will be used to put together a collaborative arrangement to support coffee/heifer keeping farmers.

4.6 Farmer Training and Extension Liaison

- The coffee production campaign is coordinated by UCDA in collaboration with other stakeholders (UCTF, NUCAFE, COREC, UNADA, NAADS, ASPS-Danida, LEAD-USAID, EDE Projects, and Cafe Africa). The main role of the National Steering committee is to coordinate all Coffee activities that contribute to the achievement of 4.5 million bags by 2015. The steering committee was able to facilitate the formation of District Coffee platforms within the campaign districts. The role of the district platforms is to coordinate and advocate for all coffee related activities in the districts. The platforms were able to monitor and sensitize farmers, traders, and processors on post harvest management practices.
- To ensure that the coffee platforms are able to practically demonstrate the benefits of Good agricultural practices, 9 coffee shows were held in collaboration with NAADS and UNADA. (Nebbi, Sironko, Manafwa, Mpigi, Mukono, Kibaale, Mbarara, Kanungu and Masaka.) The main purpose of the coffee a show is to showcase all the best practices along the coffee value chain, and involves participation from all stakeholders, including political leadership in the respective districts. In addition, 26 demonstrations on input use were conducted in the field.
- As part of dissemination of information on new technologies in extension 82 farm field visits were carried out, and reports indicate improvement in Good agricultural practices, and post harvest quality management practices. In addition, 249 seminars conducted for farmers and local leaders covering all aspects of the coffee value chain and regulatory functions in the respective districts. A total of 12,792

farmers participated (20% were female). In districts that the field staff do not have regular visits, support given to 12 District Agricultural Officers (DAOs) to promote Coffee activities within the respective districts.

- In an effort to create operational efficiency and taking services nearer to the farmers, 4 regional offices were set up and are all operational. These are: Western – Mubende; South Western – Bushenyi; Eastern – Mbale; and Northern – Gulu. There has been a drastic improvement in communication and collaboration with other stakeholders, agencies and local

governments in addressing interventions within the value chain as a result.

4.7 Social economic research

UCDA continued to undertake socio-economic research to discern the competitiveness and profitability of coffee business at all levels in the value chain. The research studies were conducted along with sub-sector players - Bank of Uganda; Coffee Research Centre (COREC) and Local Governments' Field Extension Staff.

During the Coffee Year 2008/09 the coffee business remained profitable.

4.7.1 Coffee Production Costs and Margins at Farm level

Table 4.1 (a) Comparative Costs and Margins for Old Robusta Coffee

Type of coffee and cost details	Physical	Financial (Shs).	
		Rate/unit measure	Amount
A. Old Robusta coffee			
Maintenance cost: weeding, pruning, de-suckering, manure application, harvesting etc.	120 man-days	2,000/man-day	240,000
Input costs: herbicide, Fertilizer, mulch			100,000
Equipment costs: (Depreciation)			100,000
Harvesting	20 bags	5,000/bag	100,000
Drying	20 man-days	2,000/man-day	40,000
Sub-total			580,000
Contingency costs (10%)			58,000
Total Cost			638,000
Yield/ha/year (Low-medium)	kg	1200 kg/ha	
Cost of producing 1kg of dry cherries/Kiboko			531
Average farm gate price/kg		1,000/kg	1,000/Kg
Grower's margin for old Robusta coffee/Kg of dry cherries			469
Gross income/ha/year			1,200,000
Net income/ha/year			562,000

Table 4.1 (b) Comparative Costs and Margins for Clonal Robusta Coffee

Type of coffee and cost details	Physical	Financial (Shs).	
		Rate/unit measure	Amount
B. Clonal Robusta Coffee			
1. Maintenance cost:	320 man-days	2,000	640,000
2. Input cost			200,000
3. Equipment costs:			150,000
4. Harvesting	80 bags	Ush. 5000/ bag	400,000
Sub-total			1,510,000
6. Contingency cost (10%)			151,000
Total costs			1,661,000
Yield/ha/year	5,000 kg		
- Cost of producing 1 kilo of dry cherries			332
- Average farm gate price/kg		1000/kg-kiboko	1000
-Grower's margin for Clonal coffee/kg			668
- Gross income/ha/year			5,000,000
- Net income/ha/year			3,339,000

Table 4.1 (c) Comparative Costs and Margins for Arabica Coffee

B. Arabica coffee			
1. Maintenance cost	220 man-days	2,000/man-day	440,000
2. Equipment (Depreciation cost)			160,000
3. Input cost (herbicides, fungicides/pesticides And fertilizers.)	- 2 litre-herb. - 4 ltr. pest. -10 ltr. Fungicide - 2 bags of fertilizer	-15,000/l -5,000/kg - 50,000/ bags/ fertilizer	240,000
4. Harvesting	16 bags-parch	5,000/bag	90,000
5. Pulping and Fermentation	80 man-days	2,000/man-day	160,000
6. Drying	20 man-days	2,000/man-day	40,000
Sub-total			1,115,000
Contingency (10%)		412.7	111,500
Sub-total			1,226,500
Yield/ha/year	Kg	960	
- Total cost/kg of parchment			1,277
Average farm gate price/kg of parchment		Shs. 3,000/Kg	3,000
Arabica coffee grower's margin/kg of parchment			1,723
- Gross income/ha/year		2,531	2,880,000
- Net income/ha/year		2,118	1,653,500

Source: UCDA: Field Data, 2006/07-2007/08.

4.7.2 Comparative Gross and Net Margins for the Different Types of Coffees

Table 4.7.2 shows a comparative analysis of Gross and Net Margins for Old Robusta, Clonal

and Arabica coffees. It is clearly evident that all the three types of coffee are profitable. However, investing in Clonal Robusta coffee and Arabica coffee remain a more viable option to farmers.

Table 4.2 Comparative Analysis of Gross and Net Margins

Type of Coffee	Income in Ug Shs		Net Margin per Kg
	Gross	Net	
Old Robusta	1,200,000	562,000	469
Clonal Robusta	5,000,000	3,339,000	668
Arabica	2,880,000	1,653,500	1,723.

Source: UCDA: Field Survey Data, 2006/07-2007/08

Chapter Five

COFFEE RESEARCH

5.0 Introduction⁵

During the coffee year 2008/09, the emphasis for coffee research remained on development of technologies for improving agronomic and quality performance of both Robusta and Arabica coffee. The main research objectives were:

- i) To develop and disseminate Robusta coffee varieties, which are resistant to CWD, Red blister disease and leaf rust, and are high yielding and have good market qualities (cup and physical bean qualities).
- ii) To develop and disseminate Arabica coffee varieties, which are resistant to coffee berry disease and leaf rust, and are high yielding and have good market qualities.
- iii) To develop and disseminate appropriate and cost effective agronomic packages for enhancing productivity of compact varieties of Arabica coffee.
- iv) To develop and disseminate appropriate and cost effective technologies for enhancing coffee production in marginal areas (where water and soil fertility stresses are severe)
- v) To characterize, conserve and develop utilization strategy for available coffee germplasm
- vi) To develop integrated management options for major coffee pests

- vii) To develop integrated management options for major coffee diseases
- viii) To improve manpower and infrastructure for research at the Coffee Research Centre

PROGRESS/ACHIEVEMENTS DURING 2008/09

5.1 Development and dissemination of high yielding and good quality CWD resistant Robusta coffee varieties, which are also resistant against other major diseases (leaf rust and red blister).

A number of activities were carried out as a move towards achieving the objective, major ones being:

Multiplication and dissemination of elite CWD resistant clones

Seven (7) high yielding and good quality CWD resistant Robusta coffee varieties, which are also resistant to other major coffee diseases, notably leaf rust and red blister, were released for farmer cultivation in the Robusta traditional areas by the variety release committee. Propagation of these varieties by cuttings and tissue culture continued at Kituza and Kawanda respectively. During the reporting period over 1600 rooted cuttings were raised out of which over 700 were planted in a mother garden at Kituza. 900 rooted cuttings are available in the nursery for distribution to other nursery operators. More than 2500 cuttings are still being rooted under cages.

Multiplication of the 7 elite varieties using tissue culture continued at various stages of development in the laboratory at Kawanda (table 1).

⁵ P. Musoli, P. Kucel, J. Egonyu, J. Mwesigwa, A. Nalukenge, G. Kyalo, P. Aluka, P. Wetala, G. Hakiza, A. Kangire

Table 5.1: Progress on generation of CWD resistant plants using tissue culture at Kawanda

Variety	Explants at callus and embryo development	RITAs with plantlets at embryo development	Plantlets being weaned	Planted In fields
Kituza R1	263	76	377	8
Kituza R2	1237	144	6326	56
Kituza R3	943	57	558	46
Kituza R4	950	123	0	0
Kituza R5	1002	40	163	18
Kituza R6	1596	106	744	0
Kituza R7	1148	107	1653	46
Total	7139	653	9821	174
Expected plants	2,141,700	195,900	9821	174

NB: Each explants generates 300 plantlets

One scientist had a 9 months training on tissue culture propagation at Nestle tissue culture facility at Tours in France and one senior technician had a one week training visit to the same facility. This training has enhanced the capacity of the scientists to use the tissue culture technology in propagation of the new resistant varieties.

On-farm evaluation of elite CWD resistant Robusta varieties

Trials of 21 potentially good performing CWD resistant Robusta coffee clones and together with the 7 elite released varieties, which were planted in Mukono (Nakanyonyi), Kamuli, Mityana and Ibanda districts were maintained routinely following the good coffee agronomic practices. Data collection on pests was initiated. It was noted that all the entries in the trial at Nakanyonyi were equally affected by twig borer, which is rampant in the neighbouring farmers' gardens.

Evaluation of new CWD resistant of Robusta coffee clones in on-station trials

Over 1500 CWD resistant clones identified through screening by artificial inoculations

in the screen house exist in mother gardens at Kituza. These individual genotypes (in mother gardens) are cloned gradually and planted in on-station field trials for evaluation against other agronomic and market traits. The on-station trials provide reference data for selecting elite clones and for comparing performance of the selected clones in on-farm trials located in different and appropriate agro-ecological areas. Establishment of such genotypes in on-station evaluation trials at Kituza has been going on every rainy season since 2002. In 2008/09 period 103 new CWD clones were planted in the on-station trials at Kituza. This increased the number of clones in such trials so far from 357 to 460. All the trial fields (new and existing) were well maintained by following the good agronomic coffee practices for Robusta coffee in Uganda.

131 CWD resistant clones in the existing field trials were assessed for resistance against leaf rust and red blister diseases, potential yield and general appearance. Dried wet-processed coffee bean samples of 130 clones were analyzed by UCDA and 17 of them were selected for further evaluation in on-farm trials in different agro-ecological areas (Table 5.2).

Table 5.2: CWD resistant Robusta coffee clones selected for multi-location on-farm trials

Variety	General Appearance	Yield Potential	Cherry Size	Suckering Ability	Red Blister	Coffee Leaf Rust	% moisture	% wt retained by screen 18	% wt retained by screen 15	Fragrance	Body	Flavour
2/22/3	3.0	2.9	2.6	1.8	1.9	1.5	14.3	50.9	97.9	6.5	6.0	0.0
E.U/11	3.1	3.0	2.9	2.3	2.1	1.5	13.2	18.2	92.3	6.5	6.5	0.0
227/54/2	3.8	3.8	2.8	2.7	2.2	1.5	12.0	30.7	91.4	7.5	6.5	0.0
14/50/1	3.1	3.0	2.3	2.2	1.4	1.5	13.5	21.1	92.9	6.0	6.0	1.0
202/63/2	3.4	3.1	2.9	2.4	1.6	1.3	15.8	12.8	94.9	6.0	6.8	3.0
J24/13/20/1	3.0	3.0	2.3	2.1	1.9	1.1	12.6	8.9	87.6	6.5	7.5	1.0
J72.01/10/1	3.0	2.9	2.3	2.4	1.1	1.3	14.7	10.3	81.0	7.0	7.0	1.0
J24/13/22/1	3.3	2.6	2.1	2.6	1.4	1.1	13.1	20.0	83.9	7.5	7.0	0.0
3/71/1	3.3	3.0	2.7	2.0	1.1	1.1	14.2	27.5	92.5	5.5	6.0	1.0
J24/13/59/9	3.0	2.9	2.6	2.7	1.1	1.9	13.5	12.8	90.3	5.5	6.5	1.0
UFCT3	3.1	3.0	2.7	2.1	1.4	1.9	14.4	3.4	79.4	5.0	5.0	1.0
2/22/3	3.0	2.9	2.6	1.8	1.9	1.5	14.3	50.9	97.9	3.0	6.5	6.0
2/7/4	3.6	3.9	2.3	1.7	1.0	1.1	14	13.9	44.4	3	6	6.5
227/54/1	4.0	4.0	2.9	2.9	1.3	1.4	14.4	10.2	90.2	2.5	6	6.5
J24/13/59/2	3.0	3.4	3.0	2.7	1.6	2.3	13.3	20.7	88.5	2.5	6	5.5
J24/13/59/8	3.3	3.7	2.4	2.3	1.6	1.7	14.2	15.6	83	3.5	7	6
J24/13/59/7	3.0	3.4	2.4	2.6	1.7	2.3	12	9.5	83	2.5	5	5
Assessment scale	1-4	1-4	1-4	1-4	1-4	1-4	%	%	%	1-10	1-10	1-10
Cut of level	= or > 3	= or > 3	= or > 2	= or > 2	= or < 2	= or < 2	11-13%		85%	= or > 5	= or > 5	

NB: Where clones excelled in certain traits, the cut off level for their low performing traits were lowered.

Management of mother gardens of other CWD resistant Robusta coffee clones

Mother gardens of all the 1500 CWD resistant Robusta coffee genotypes have been established at Kituza, at different times as their planting become available. During 2008/09 the clones in mother gardens were well maintained by controlling weeds (using slashing, hand hoeing and spraying with herbicides), applying organic and inorganic fertilizer, and pruning and gap filling.

We continued raising rooted cuttings of clones which have not yet been planted in the on-station trial within Kituza and increasing mother bushes within the mother garden to seven (7). Rooted cuttings of 230 clones were planted in the nursery cages and are being raised for planting in mother gardens and on-station trials.

Genetic characterization of the selected superior CWD resistant varieties

It is necessary to genetically fingerprint the elite CWD resistant varieties as they become available so as to prevent perjury, for protection of the intellectual property rights of the variety developers. Genetic fingerprinting of the 25 pre-selected CWD resistant varieties continued in collaboration with biotechnology laboratories at Kawanda and Makerere University; by identifying appropriate genetic markers. Still, there are only 5 working primers, which were identified during the previous reporting period.

Generation and evaluation of Robusta coffee hybrids of crosses between CWD resistant lines and current commercial (susceptible) clones

This activity allows generation of new elite varieties, which carry traits from complimentary parents. Yield, resistance against diseases (CWD, leaf rust and red blister) and quality (bean size and liquor taste) are the prerequisite

traits required in improved Robusta coffee varieties. The newly selected CWD resistant varieties do not possess all these traits. Thus CWD resistance is to be introgressed, through hybridization, from the resistant clones into the current commercial clones, (Resistant to leaf rust and red blister diseases, are yielding, have good liquor taste and bean size but are susceptible to CWD) to generate genotypes with all the complementary traits. During this reporting period a field trial of 333 hybrid progenies of different combinations involving CWD resistant and susceptible parents, was maintained at Kituza. The bearing trees in this trial were assessed for yield and the data is being analyzed. 34 new crosses of different combinations of CWD resistant and susceptible parents were made. The hybrid seeds of these crosses will be harvested between November 2009 and January 2010.

5.2 Development and dissemination of high yielding Arabica coffee varieties, which are resistant to coffee berry disease and leaf rust, and have good market qualities.

Various activities were carried toward achievement of this objective.

Evaluation and dissemination of CBD resistant varieties

Multiplication of Ruiru II, which is a semi-compact variety and resistant to CBD and leaf rust continued at Kituza and Bugusege. Over 9,000 cuttings were generated for farmers use and on-farm trials in CBD infected areas.

Generation and evaluation of Arabica hybrids for yield, quality and resistance against disease (CBD, red blister and leaf rust)

Evaluation of different Arabica hybrids continued at Bugusege, Buginyanya and

Bulegeni. Yield and disease data collected from 98 hybrid progenies at Bugusege is still being analyzed. Wet processed samples collected from these progenies were prepared and submitted to UCDA for quality analysis.

Evaluation of new introductions of Arabica varieties

Trials of two varieties which were recently introduced from India were planted at Kituza, Bulegeni and Buginyanya research stations and one on-farm trial in Kapchorwa. Existing trials of 11 varieties introduced from Cooke Island located at Kawanda, Bugusege and Buginyanya, were rehabilitated. Similarly trial of 17 new introductions commonly referred to as Elgons, was rehabilitated.

5.3 Development and dissemination of appropriate and cost effective agronomic packages for enhancing productivity of compact varieties of Arabica coffee.

Yield data of the trial at Kituza, which compares performance of the three Catimor varieties planted at different spacing and trained to different number of stems per, were analyzed. The results showed that there were no yield differences between the three varieties and the varieties when planted at a spacing of 1 metre by 1 metre gives better yield than the current spacing of 2 metres by 2 metres and 2.5 metres by 2.5 metres.

5.4 Introduction, characterization, conservation and utilize of coffee germplasm

A number of Robusta collections were obtained from farms in different areas of the country. The collected materials were planted in the nursery at Kituza. While materials collected in the previous reporting periods were planted in germplasm collection plots at Kituza, for future evaluation and characterization.

5.5 Develop of integrated management options for major coffee pests

Evaluation of the CWD resistant Robusta coffee lines for relative susceptibility to insect pests:

Following the establishment by the breeding team of field evaluation trials on-station at Kituza and on-farm in 4 different coffee agro-ecologies represented by Mukono, Kamuli, Mityana and Ibanda districts, the entomology team has implemented a research plan with the aim to:

- i) Determine the pest status of the CWD resistant materials in respect of their diversity and incidences;
- ii) Identify key insect pests in each of the various coffee agro-ecologies;
- iii) Use the above information to assemble IPM packages to accompany the release of the materials to farmers;
- iv) Acquire the basis for the development of a long-term IPM research strategy for materials.

A work-plan for the evaluation of the materials has been designed and implementation began. So far, two quarterly visits to the evaluation sites have been done, and incidence and diversity data collected

Biological and ecological studies of the coffee berry borer and its natural enemies:

This study aim to:

- i) Understand the essential biology and ecology of the coffee berry borer and its natural enemies under field conditions, and in-vitro under controlled conditions;
- ii) Develop procedures for mass rearing of the parasitoids and entomo-pathogens of the coffee berry borer; and
- iii) Design and implement a bio-control programme for the coffee berry borer in Uganda, and integrate it with available cultural control recommendations.

Field diagnostic study sites have been established at 5 sites in Jinja, Kamuli, Iganga, Masaka and Rakai. Proposed additional sites in Hoima and Mbarara are to be established. Two rounds of quarterly field data collection have been done. Implementation of the laboratory in-vitro studies awaits the completion of the procurement process for the necessary equipment and reagents.

Developing IPM packages for key Arabica coffee insect pests in the Mt. Elgon area:

This research has been going on for two years and it is nearing completion. The study undertakes to:

- a) Derive a pest profile for Arabica coffee in the Mt. Elgon zone;
- b) Determine economic threshold injury levels for key insect pests;
- c) Test selected IPM options for control root mealy bugs;
- d) Test IPM options for control of stem borers.

A biological monitoring study was completed, the pest profiles established and results published. Studies on root mealy bugs and stem borers are due for completion in January 2010. Economic threshold injury studies will continue over two more cropping seasons. During the period under review, treatment applications, data collection and field maintenance were implemented as per the work schedule.

Survey to establish impact and spread of coffee twig borer in Central Uganda:

NARO/NACRRI/COREC, in partnership with the UCDA conducted a survey in the districts of Kayunga and Mukono with the aim to:

- i) Determine the spread and impact;
- ii) Identify predisposing factors for the out-break;
- iii) Design strategies to manage the outbreak in the short to medium to long term.

The full report of the survey was produced and circulated and the results also published in an international journal.

Survey to establish spread and impact of coffee lace bugs in the Mt. Elgon area:

This activity arose out of reports of a pest outbreak in the Mt. Elgon area. NARO/NACRRI/COREC and UCDA constituted a team to:

- i. Verify the reports of the pest outbreak;
- ii. Establish underlying causes;
- iii. Determine distribution and severity of damage;
- iv. Propose remedial actions.

Surveys were conducted in the districts of Bududa, Manafa, Kapchorwa and Sironko confirmed outbreak of coffee lace bugs, distributed throughout the Mt. Elgon Arabica coffee zone. Very severe damages with consequent severe yield losses had occurred mostly in the low altitude areas. Detailed report was submitted to UCDA.

Technical backstopping of coffee IPM technologies:

The entomology team also conducted several technical backstopping activities in coffee IPM that included responding to calls to address farmers' IPM constraints, attending farmers' forum, training stakeholders etc.

Chapter Six

FINANCE AND ADMINISTRATION

FINANCE & ADMINISTRATION

6.1 STAFF MATTERS

• Staff Numbers

The number of staff in the organization reduced from 58 to 55 during the year following the resignation of two members of

staff - the Procurement Officer and Systems Administrator; and the subsequent dismissal of one Quality Controller. Recruitment for these positions is underway and temporary staff are currently filling them.

Below is a schedule indicating the distribution of staff in the respective departments.

Table 6.1: Distribution of Staff per Department

DEPARTMENT	Professional/ Technical Staff	Support Staff	Total
Office of Managing Director	4	1	5
Finance & Administration	8	3	11
Quality, Regulatory & Information Services	15	-	15
Development	24	-	24
Total	51	4	55

6.2 Performance Appraisals

Performance appraisals for 2008/2009 were done. Below are the results;

- Contract renewal for 9 staff
- Salary increments for 19 staff
- Promotion to officer level for 1 staff
- 2 staff received recognition awards for exemplary service
- 2 staff put on performance trial for a year
- 1 staff terminated
- 6 staff contracts were recommended to the Board for renewal
- Edward Lutaakome Sentamu emerged employee of the year 2008

workshops organized by ICPAU and MoFPED

- 2 group training sessions on entrepreneurship and self engineering were conducted.
- Training in target based performance appraisal attended by senior staff
- Management & Leadership Development Training by Fagil Mandy
- Representation in Geneva for the ILO conference
- Training in Italy in Mycotoxin control
- Quality controllers workshops (CQI)- in collaboration with LEAD as well as training in barista skills conducted for industry players

6.3 STAFF TRAINING & WORKSHOPS

- Two Quality Controllers trained as Barista trainers-cum-judges.
- Support given to Accounts' staff in ACCA & Support to COREC staff in PhD course
- Finance staff attended a number of

6.4 BOARD OF DIRECTORS

- On May 12, 2009, the Minister of Agriculture, Animal Industry & Fisheries (MAAIF), Hon. Hope Mwesigye, officially inaugurated

the new UCDA Board of Directors, which includes representatives from: Farmers (2), Processors (2), Exporters (2), MTTI (1), MoFPED (1), MAAIF (1), UCDA MD and the Chairman, Eng. Fabian Tibeita.

The Minister called upon the Board to create synergies with agencies and departments within the ministry in tackling the teasing challenges – coffee wilt disease, low soil fertility, old age of coffee trees, prices volatility – of the industry. She was accompanied by the Minister of State for Agriculture Hon. Henry Bagire and the Permanent Secretary Mr. Vincent Rubarema.

- The Board held 6 Board and committee meetings through which the 2009/10 annual budget and work plans were deliberated and later approved.

6.5 INTERNATIONAL MEETINGS/ CONFERENCES

Uganda continued to show her presence in the international coffee arena through attending meeting and conference as indicated below:

- ICO- 2 meetings in UK (March & September) were attended
- IACO-48th IACO General Assembly in Libreville, Gabon attended
- Annual administration budget contributions for both ICO and IACO completed
- Participation in Uganda/US Trade and Investment Forum in Chicago
- Participation in the 21st Uganda North American Association (UNAA) in Chicago 1-7 September 2009
- Participation in EAFCA conference in Kigali, Rwanda- February 2009
- Participation in World Tourism Exhibition in London
- Participation in SCAA, SCAE and SCAJ
- In all the above exhibitions/conferences,

Uganda coffee was showcased to Ugandans in the Diaspora.

6.6 Field visits under Monitoring and Evaluation

Members of the Sectoral Committee of Parliament for Agriculture, led by the Chairperson Hon. Olive Wonekha; and accompanied by UCDA Management undertook a one-week field visit to coffee growing districts in the Mt. Elgon area, Mid North and North Western regions to assess the performance of the industry. The team was impressed by the ongoing projects such as the rehabilitation of coffee fields and Arabica seed production in Buginyanya Zonal Agricultural Research Development Institute, research into high yielding Arabica coffee at Bugusege Coffee Trial Centre, and farmers' adoption of the good agricultural practices.

Members were also impressed by the way farmers in Mid-north districts of Lira, Gulu, Amur, Apac, Dokoro, Oyam, originally non-coffee areas, are adopting coffee growing as a commercial crop.

In West Nile, they appreciated the high potential Nebbi district has in production of high quality Arabica coffee given the level of organisation of the farmers associations.

6.7 Obituary: The Passing away of a Great Man in the Coffee Industry

It is with sadness that we report the death of Hon. Dr. Israel Kibirige-Ssebunya, the Minister of State for Agriculture, who passed away on Sunday, October 12, 2008; and given a state funeral at his ancestral land in Katente village, Nakisunga Subcounty, Mukono district.

As a breeder, the Late Kibirige shall be remembered by the industry for his enormous contribution towards the fight against Coffee Wilt Disease. He was the first Chairman of UCDA Board, a responsibility he held for six years before joining politics.



Hon. Dr. Kibirege-Sebunya, (sitting, 5th from left or centre-front row) ,Chairman of Inter-African Coffee Organization (IACO), 1998/1999, Nov 99 AGA based in Abidjan, Côte d'Ivoire (W.Africa)

STATISTICAL ABSTRACTS

Appendix 1
COFFEE PROCUREMENT FIGURES FOR ROBUSTA & ARABICA – 60-KILO BAGS

Month	2005/06			2006/07			2007/08			2008/09		
	Robusta	Arabica	Total	Robusta	Arabica	Total	Robusta	Arabica	Total	Robusta	Arabica	Total
G/Total	1,550,497	624,724	2,175,221	2,325,960	579,321	2,905,281	2,982,339	507,917	3,490,256	2,609,518	725,649	3,335,167
Oct	80,151	50,125	130,276	152,082	49,080	201,162	157,233	45,001	202,234	165,411	50,236	215,647
Nov	200,178	65,149	265,327	187,642	77,958	265,600	180,143	35,015	215,158	225,321	69,123	294,444
Dec	136,100	75,125	211,225	195,760	51,788	247,548	272,300	40,102	312,402	253,139	75,231	328,370
Qtr - 1	416,429	190,399	606,828	535,484	178,826	714,310	609,676	120,118	729,794	643,871	194,590	838,461
Jan	160,127	75,455	235,582	250,312	56,001	306,313	325,019	35,025	360,044	281,599	62,001	343,600
Feb	95,078	81,003	176,081	189,573	39,122	228,695	335,441	38,777	374,218	272,146	72,005	344,151
Mar	100,197	72,528	172,725	184,220	52,019	236,239	320,100	51,012	371,112	202,168	63,532	265,700
Qtr - 2	355,402	228,986	584,388	624,105	147,142	771,247	980,560	124,814	1,105,374	755,913	197,538	953,451
Apr	84,540	76,574	161,114	139,369	30,525	169,894	180,019	34,015	214,034	195,213	62,015	257,228
May	105,196	49,310	154,506	146,659	37,777	184,436	195,211	45,005	240,216	214,126	72,016	286,142
Jun	162,282	20,075	182,357	195,621	35,023	230,644	230,125	52,100	282,225	225,013	51,023	276,036
Qtr - 3	352,018	145,959	497,977	481,649	103,325	584,974	605,355	131,120	736,475	634,352	185,054	819,406
Jul	180,032	20,235	200,267	228,012	38,656	266,668	295,012	53,103	348,115	210,156	45,000	255,156
Aug	155,345	20,001	175,346	267,485	55,215	322,700	292,106	49,012	341,118	190,225	50,332	240,557
Sept	91,271	19,145	110,416	189,225	56,157	245,382	199,630	29,750	229,380	175,001	50,135	225,136
Qtr - 4	426,648	59,381	486,029	684,722	150,028	834,750	786,748	131,865	918,613	575,382	145,467	720,849

Appendix II
Performance By Individual Coffee Exporting Companies⁶
in 60-Kilogramme bags in 2008/09

	Export Company	Quantity			% -age Market Share	
		Robusta	Arabica	Total	Individual	Cumulative
	Grand Total	2,405,857	647,831	3,053,688	100.00	-
1	Kyagalanyi Coffee Ltd.	328,755	198,817	527,572	17.28	17.28
2	Kawacom (U) Ltd.	235,942	171,466	407,408	13.34	30.62
3	Ugacof Ltd.	249,798	35,400	285,198	9.34	39.96
4	Great Lakes Coffee Ltd.	218,663	52,688	271,351	8.89	48.84
5	Kampala Domestic Store	241,307	640	241,947	7.92	56.77
6	Lakeland Holding Ltd.	175,312	53,258	228,570	7.49	64.25
7	Savannah Commodities	217,684	7935	225,619	7.39	71.64
8	Job Coffee Ltd	159,759	61,392	221,151	7.24	78.88
9	Ibero (U) Ltd.	188,785	13026	201,811	6.61	85.49
10	Olam (U) Ltd.	107,610	5960	113,570	3.72	89.21
11	Pan Afric Impex Ltd.	73,055	-	73,055	2.39	91.60
12	Nakana Coffee Factory Ltd.	71,094	-	71,094	2.33	93.93
13	Wabulungu Multipurpose	61,829	-	61,829	2.02	95.96
14	Mbale Importers & Exporters	-	23,950	23,950	0.78	96.74
15	Union Export Services	22,274	320	22,594	0.74	97.48
16	Kaweri Coffee Plantation	12,223	-	12,223	0.40	97.88
17	Coffee World Ltd.	11,138	320	11,458	0.38	98.25
18	Bagain (U) Ltd.	8,580	-	8,580	0.28	98.54
19	Gumutindo Co-operative Society	30	8,243	8,273	0.27	98.81
20	Coffee Services Ltd.	654	5740	6,394	0.21	99.02
21	Busingye & Co. Ltd.	5,296	-	5,296	0.17	99.19
22	Bakwanye Trading Company	-	5120	5,120	0.17	99.36
23	Libra Commodities Ltd.	1,722	1860	3,582	0.12	99.47
24	Kamba Petroleum Ltd.	3,322	-	3,322	0.11	99.58
25	KITASHA	3,274	-	3,274	0.11	99.69
26	Yaka (U) Ltd.	1,998	333	2,331	0.08	99.77
27	Victoria Coffee Ltd	2,045	-	2,045	0.07	99.83
28	Ankole Coffee Processor Co-op	1,640	-	1,640	0.05	99.89
29	Anderson Investments Ltd.	1,080	-	1,080	0.04	99.92
30	Green Holdings Ltd	-	898	898	0.03	99.95
31	LD Commodities Ltd.	668	-	668	0.02	99.97
32	Semliki Rift Tradibg Co. Ltd	320	-	320	0.01	99.98
33	Zigoti Coffee Works	-	320	320	0.01	100.00
34	Nile Highland Arabica Coffee	-	145	145	0.00	100.00

⁶ 8 companies were new: Ankole Coffee Producers Co-op, Ankole Coffee Processors, LD Commodities, Bagain (U) Ltd., Coffee Service Ltd., Coffee World Ltd., Kamba Petroleum & Green Holdings Ltd.

Appendix III
Monthly Coffee Exports by Individual Companies in 60-Kilogramme bags in 2008/09

Exporter	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Grand Total	179,234	266,732	298,648	329,211	319,605	256,257	205,725	220,620	254,026	265,567	260,235	197,828	3,053,688
Kyagalanyi Coffee Ltd	37,858	43,678	40,091	45,873	56,289	46,142	31,731	39,237	39,874	48,535	41,086	57,178	527,572
Kawacom (U) Ltd.	20,183	40,644	32,864	39,807	42,826	47,704	35,026	22,498	26,192	32,658	40,380	26,626	407,408
Great Lakes Coffee Ltd	19,626	22,856	23,989	23,832	26,360	15,722	18,379	22,786	17,756	29,276	24,385	26,384	271,351
Ugacof (U) Ltd	18,722	40,650	26,510	44,796	30,158	26,120	29,810	18,548	10,124	14,466	14,590	10,704	285,198
Job Coffee Ltd.	10,414	11,520	33,668	26,150	29,780	21,315	9,220	11,780	21,340	11,300	20,549	14,115	221,151
Lake Holdings Ltd	16,980	15,908	22,780	24,674	22,512	11,548	5,908	7,330	25,950	31,559	31,356	12,065	228,570
Savannah Commodities Ltd	12,341	22,790	33,846	27,660	17,079	20,973	5,904	24,526	22,200	10,960	20,500	6,840	225,619
Kampala Domestic Store Ltd	9,694	19,219	20,138	24,882	25,608	21,312	28,627	26,420	30,571	12,930	16,220	6,326	241,947
Ibero (U) Ltd	7,357	18,010	23,506	22,506	22,726	10,580	15,804	15,916	15,998	22,907	14,059	12,442	201,811
Olam (U) Ltd	4,134	1,972	11,536	8,254	11,896	13,654	11,940	14,104	8,266	11,314	8,560	7,940	113,570
Pan Afric Impex	4,220	6,883	4,434	10,740	5,234	3,334	350		4,520	14,000	13,390	5,950	73,055
Nakana Coffee Factory Ltd.	4,434	5,388	7,044	9,730	4,686	5,359	2,004	2,338	9,947	9,972	5,090	5,102	71,094
Wabulungu Multipurpose Ltd.	6,969	7,920	10,350	6,410	7,954	2,670	2,660	5,124	9,292	2,480			61,829
Mbale Importers & Exporters	1,000	5,080	960	1,800	5,450	3,560	2,450	2,320	360	330		640	23,950
UNION EXPORT SERVICES	1,294	1,394	2,002	4,358	3,396	2,352	654	320	1,984	3,440	1,400		22,594
Gumufindo Co-op Society	320	320	320	790	1,050	570	1,175	640	960	960	322	846	8,273
Kaweri Coffee Plantation	1,060	640	1,920	3,520	2,240	640	640	283		640		640	12,223
Coffee World Ltd				334				4,170	2,434	3,850	670		11,458
Bagain (U) Ltd							1,400		2,732	2,030	2,418		8,580
Coffee Services Ltd					1,040	1,360	1,020	640	974	1,000	360		6,394
Bakwanye Trading Co. Ltd.	960			640	320	320		640	320	320	320	1,280	5,120
Busingye & Co. Ltd.			1,650	2,310	1,336								5,296
Kitasha								700	1,934	640			3,274
Libra Commodities Ltd	1,002	1,860	720										3,582
Kamba Petroleum Ltd											2,320	1,002	3,322
Yaka (U) Ltd	666				1,665								2,331
Victoria Coffees Ltd						1,022	1,023						2,045
Ankole Coffee Processors Co-op.											1,640		1,640
ANDERSON INVESTMENTS LTD												1,080	1,080
LD Commodities Ltd.												668	668
Semilki Riff Trading Co. Ltd.											320		320
Zigoti Coffee Works			320										320
Green Holdings Ltd.								300	298		300		898
Nile High Land Arabica Coffee				145									145

Appendix IV
Monthly Coffee Exports by Type and Grade in 60-Kilogramme bags in 2008/09

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Total
TOTAL	179,234	266,732	298,648	329,211	319,605	256,257	205,725	220,620	254,026	265,567	260,236	197,827	3,053,688
ROBUSTA	151,155	220,268	251,386	269,395	248,364	195,535	142,893	158,341	209,503	215,767	203,986	138,544	2,405,137
Organic	147				1,000	350	330			2,430	1,400		5,657
Washed	2,040	640	1,920	4,395	960	640	970			640	330	960	13,495
Sc 18	14,179	30,196	33,487	29,903	26,832	26,835	18,757	16,804	16,856	18,180	21,427	13,790	267,246
Sc 7	2,650	5,386	10,056	6,300	8,040	4,210	4,860	7,808	5,992	6,330	6,820	4,400	72,852
Sc 15	86,480	97,868	159,398	156,618	143,709	103,264	76,653	84,806	120,109	122,962	111,989	72,882	1,336,738
Sc 14	2,110	4,748	3,160	6,728	4,234	3,220	720	2,074	2,450	4,124	2,030	1,628	37,226
Sc 13	3,548	7,014	334	2,672	2,494	6,554	668	2,672	1,774	7,170	6,272	7,864	49,036
Sc 12	24,263	39,318	27,180	46,462	41,651	35,292	19,526	24,462	43,392	34,857	36,532	23,192	396,127
BHP 1199	4,060	17,074	5,092	3,600	6,950	11,400	4,200	5,750	11,100	15,635	7,100	7,150	99,111
Other Robusta	11,678	18,024	10,759	12,717	12,494	3,770	16,209	13,965	7,830	3,439	10,086	6,678	127,649
ARABICA	28,079	46,464	47,262	59,816	71,241	60,722	62,832	62,279	44,523	49,800	56,250	59,283	648,551
Organic Okoro			1,060		1,750	1,780	720	720	1,400	2,120	3,490	1,740	14,780
Organic Bugisu	680			320	990	1,720	320		256			1,080	5,366
Bugisu Premium												1,280	1,280
Bugisu AA	2,910	11,060	11,950	6,790	16,210	14,905	16,190	8,710	2,590	7,270	2,302	4,892	105,779
Bugisu A	150	470	2,510	4,330	6,450	1,985	2,772	5,425	10,416	6,685	5,330	3,432	49,955
Bugisu PB	350		10		765	410		1,320	124	85	2	11	3,077
Bugisu AB	964	6,550	12,800	4,950	8,330	10,820	2,950	4,928	6,882	1,630	2,880	3,220	66,904
Bugisu CPB		1,080	2,760	360		960	960	2,560	1,920	2,560	640	2,240	16,040
Bugisu B		3,240	320				100				259		3,919
Bugisu C	640			320							40		1,000
Mixed Arabica	640		1,320			640	320	320		320	1,600	640	5,800
Wugar	1,933	3,560	7,330	4,785	11,712	4,140	4,940	4,000	3,330	2,560	4,589	1,660	54,539
Drugar	15,582	17,484	7,202	28,126	22,324	18,892	26,320	26,776	14,250	23,620	31,258	22,928	254,762
Other Arabica	4,230	3,020	-	9,835	2,710	4,470	7,240	7,520	3,355	2,950	3,860	16,160	65,350

Appendix V
Monthly Realised Price per Coffee Type and Grade
in US \$/Kilogramme in 2008/09

GRADE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Wt Avg Pr
TOTAL	1.95	1.72	1.69	1.54	1.62	1.56	1.54	1.52	1.52	1.47	1.51	1.53	1.59
ROBUSTA	1.89	1.63	1.62	1.49	1.51	1.43	1.37	1.36	1.37	1.31	1.34	1.35	1.47
Organic Robusta	2.31				1.65	1.50	1.76			1.53	1.59		1.60
Washed Robusta	2.10	1.61	1.62	1.63	1.63	1.53	1.01			1.37	2.07	1.95	1.67
Screen 18	2.04	1.81	1.74	1.60	1.62	1.52	1.49	1.45	1.46	1.42	1.43	1.44	1.60
Screen 17	2.04	1.70	1.59	1.53	1.53	1.53	1.50	1.48	1.49	1.46	1.45	1.52	1.54
Screen 15	1.92	1.66	1.65	1.49	1.54	1.47	1.41	1.40	1.40	1.33	1.36	1.37	1.50
Screen 14	2.11	1.76	1.98	1.51	1.42	1.40	1.41	1.41	1.42	1.44	1.43	1.40	1.57
Screen 13	2.15	1.50	1.54	1.60	1.64	1.53	1.43	1.37	1.50	1.34	1.37	1.41	1.50
Screen 12	1.78	1.63	1.48	1.45	1.43	1.36	1.34	1.26	1.32	1.23	1.32	1.28	1.41
BHP 1199	1.54	1.37	1.21	1.20	1.16	1.03	0.96	1.11	1.14	1.02	0.99	1.11	1.15
Other Robustas	1.51	1.52	1.28	1.25	1.35	1.40	1.14	1.18	1.42	1.34	1.19	1.13	1.35
ARABICA	2.27	2.11	2.07	1.79	2.00	1.96	1.94	1.95	2.25	2.16	2.11	1.97	2.03
Organic Okoro			2.43		2.38	2.38	2.03	2.47	2.78	2.88	2.36	2.65	2.51
Organic Bugisu	2.60			2.28	2.43	2.69	2.81		2.14			2.58	2.56
BUGISU Premium												2.76	2.76
Bugisu AA	2.48	2.19	2.18	1.95	2.20	2.23	2.22	2.27	2.40	2.47	2.40	2.47	2.24
Bugisu A	2.25	2.03	2.40	2.21	2.14	2.04	2.45	2.24	2.72	2.99	2.89	2.54	2.52
Bugisu PB	2.67		2.20		2.01	2.79		2.07	2.47	2.31	2.16	1.96	2.24
Bugisu AB	2.72	2.10	2.07	2.04	2.15	2.05	2.01	2.05	2.49	2.19	2.36	2.38	2.16
Bugisu CPB		2.43	1.96	1.93		2.13	1.98	2.15	2.14	2.32	2.01	2.22	2.15
Bugisu B		2.12	2.13				2.16				1.54		2.08
Bugisu C	2.76			1.98							1.50		2.46
Mixed Arabica	1.65		1.68			1.43	1.61	1.65		1.65	1.65	1.60	1.63
Wugar	2.63	2.36	2.14	2.03	2.06	1.98	2.13	2.17	2.56	2.23	2.51	2.54	2.21
Drugar	2.30	2.13	1.77	1.80	1.79	1.76	1.82	1.86	1.84	1.85	2.00	1.96	1.90
Other Arabicas	1.67	1.35	-	1.21	1.00	0.99	1.33	1.45	1.54	1.31	1.15	1.38	1.57

Appendix VI
Buyers of Uganda Coffee by Month During the Coffee Year 2008/09 – 60-kilo bags

BUYER	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
	179,234	266,732	298,648	329,211	319,605	256,257	205,725	220,620	254,026	265,567	260,235	197,828	3,053,688
Ecom Agro Industrialists	20,183	33,974	29,364	35,607	30,316	44,466	34,066	22,498	25,592	30,618	40,380	26,626	373,690
Socadec	21,346	26,536	49,834	41,014	28,990	23,870	7,938	17,886	48,104	32,823	28,742	24,069	351,152
Sucafina	17,610	35,242	18,584	44,318	17,568	16,980	25,050	18,200	4,296	8,196	7,672	6,496	220,212
Bernard Rothfos	7,471	18,010	24,786	22,506	22,094	10,260	15,804	15,916	15,998	21,333	15,349	13,402	202,929
Decotrade	14,760	7,200	25,160	11,880	20,880	12,600	3,960	10,420	14,400	15,480	10,440	13,300	160,480
Volcafe	2,300	5,380	2,237	4,101	13,650	14,580	19,930	17,230	22,722	19,670	16,498	16,938	155,236
Olam International	11,078	2,336	20,124	11,594	12,230	14,294	12,600	14,764	10,596	11,954	8,260	7,940	137,770
Coffea (Sudan)	8,400	3,500	12,950	3,850	23,040	1,750	12,950	4,900	12,250		10,820	1,050	95,460
ABACO International	2,100	9,450	3,860	14,000			7,350	7,700		32,550			77,010
Iconacafe	1,280	4,314	8,878	11,120	12,740	9,610	8,340	9,118	8,382	620	620	1,636	76,658
ALDWAMI	9,800	13,300	9,450	3,500			6,650	17,842		10,800			71,342
HACOFCO	-	2,282	7,036	8,368	8,624	4,258			10,366		8,914	11,114	60,962
Louis Dreyfus	1,900	2,960	11,880	21,120	9,170	7,260	2,310	-	-	-	660	1,988	59,248
Coex Coffee	8,430	5,660	14,210	11,700			1,400	9,540		2,160			53,100
Guzman	2,694	6,016	3,998	5,372	3,374	6,678	660	2,680	6,440	5,000	1,980	1,360	46,252
Tata Coffee (India)	3,815	20,438	5,152	1,800						11,435			42,640
Strauss Co	3,548	8,788	334	7,072			2,961	7,407		8,728			38,838
Aziende	2,920	4,030	1,690	3,600	1,320	4,685	2,650	4,978	5,030	1,010	2,655	2,300	36,868
Coffee Select	2,759	11,530	5,754	6,462			4,308	2,948		2,610			36,371
Hamburg Coffee	3,348	5,028	3,340				9,286	6,544		8,500			36,046
Golluckie	7,660	11,170	2,450	13,690									34,970
Luigi Lavazza	1,950	1,950	8,350	6,640	5,950	4,342	2,004						31,186
Elmathanib		1,050	350	4,900	5,600	1,400	2,100	3,500	1,750		4,550	700	25,900
Others	23,882	26,588	28,877	34,997	104,059	79,224	23,408	26,549	68,100	42,080	102,695	68,909	629,368

Appendix VII
Coffee Exports By Destination During the Coffee Year 2008/09 – 60-kilo bags

DESTINATION	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Total
Grand Total	179,234	266,732	298,648	329,211	319,605	256,257	205,725	220,620	254,026	265,567	260,235	197,828	3,053,688
EU Countries	142,803	207,520	249,847	275,556	238,822	209,922	159,784	161,924	176,144	181,227	168,769	139,786	2,312,104
Sudan	22,050	28,700	30,800	32,550	57,340	17,152	32,197	37,792	46,530	48,250	59,820	16,800	429,981
USA	1,738	3,436	7,470	9,272	11,099	9,880	2,340	14,490	5,940	5,834	10,128	8,828	90,455
India	3,812	20,998	3,959	1,800			4,200	2,400		12,935			50,104
Switzerland	700	1,860	330	3,500	-	-	2,425	720	-	2,830	2,360	1,800	16,525
Israel	-	1,990	680	334	334	1,002	680	1,374	1,554	1,352	1,670	1,670	12,640
Syria	666	-	-	-	-	-	2,240	-	-	7,700	-	-	10,606
Singapore	2,672	334	3,340	1,670	334				668				9,018
Japan		900	1,220	1,200	600	1,000	900		1,200	600		300	7,920
Morocco	2,418	-	1,002	650	-	-	-	-	660	-	-	-	4,730
Australia				1,900		1,280	320			320			3,820
Egypt	1,475	660	-		640			640			320		3,735
Ecuador	-									2,560			2,560
Canada		334	-	479	320	334		320					1,787
Kenya								640			988		1,628
South Africa							639	320		319			1,278
OTHER	900			300	10,116	15,687			21,330	1,640	16,180	28,644	94,797
													3,10

Appendix VIII
Comparative Monthly Coffee Export Figures: Quantity 60-kilo bags & Value in US Dollar

MONTH/TYPE	2008/09		2007/08		2006/07		2005/06		2004/05	
	QTY	VALUE \$	QTY	VALUE \$	QTY	VALUE \$	QTY	VALUE \$	QTY	VALUE \$
TOTAL	3,053,688	291,761,739	3,210,603	338,398,200	2,704,236	256,580,844	2,002,324	170,343,587	2,504,890	162,146,236
ROBUSTA	2,405,137	212,848,980	2,713,498	316,060,409	2,144,482	192,779,546	1,408,314	103,873,270	1,988,360	105,883,286
OCT	151,155	17,139,504	131,879	12,722,394	115,013	9,287,693	71,774	4,469,897	152,346	5,796,722
NOV	220,268	21,582,136	165,986	16,742,817	174,587	14,744,480	121,407	8,093,316	141,435	5,019,760
DEC	251,386	24,439,607	237,168	24,416,389	196,685	16,369,909	132,336	9,381,631	182,975	7,427,260
JAN	269,395	24,046,556	326,466	34,736,650	255,416	21,368,320	156,047	11,016,259	171,107	7,042,443
FEB	248,364	22,481,152	281,583	31,583,620	182,090	15,137,262	91,747	6,912,473	167,404	7,508,274
MAR	195,535	16,769,099	238,938	30,141,261	207,763	17,251,142	86,973	6,490,296	142,214	7,003,125
APR	142,893	11,754,995	177,037	22,484,225	94,685	8,026,750	76,946	5,868,690	156,353	8,172,737
MAY	158,341	12,875,835	179,389	21,620,095	139,965	12,762,155	89,157	6,946,257	164,849	9,568,909
JUN	209,503	17,194,480	228,771	27,944,904	208,479	20,283,411	167,401	12,428,399	181,899	12,083,444
JUL	215,767	16,910,898	289,684	36,693,251	227,364	23,556,869	149,759	11,050,922	220,549	15,438,553
AUG	203,986	16,433,983	276,757	34,705,424	195,432	19,395,567	147,366	11,452,930	183,923	12,827,504
SEPT	138,544	11,220,734	179,840	22,269,379	147,003	14,595,988	117,401	9,762,200	123,306	7,994,555
ARABICA	648,551	78,912,759	497,105	72,337,793	559,754	63,801,298	594,010	66,470,317	516,530	56,262,950
OCT	28,079	3,818,259	40,697	4,927,599	40,558	4,069,398	49,922	4,809,598	33,587	2,444,930
NOV	46,464	5,892,864	32,878	4,257,336	76,141	8,215,760	60,646	6,379,170	41,446	3,281,692
DEC	47,262	5,878,310	35,351	5,068,397	52,024	5,836,821	48,008	5,467,617	54,431	4,942,417
JAN	59,816	6,422,790	34,409	4,990,387	60,712	6,999,422	72,667	8,663,022	43,616	4,413,104
FEB	71,241	8,562,260	36,430	5,389,755	40,009	5,008,525	74,015	9,201,115	47,714	4,882,210
MAR	60,722	7,154,243	40,310	6,156,947	57,636	6,977,573	68,987	8,140,598	53,203	6,907,721
APR	62,832	7,304,272	60,189	9,477,784	42,471	4,928,768	69,696	7,845,734	55,035	7,174,852
MAY	62,279	7,290,706	52,053	7,878,807	44,595	5,144,792	34,164	4,021,072	55,176	7,208,840
JUN	44,523	6,016,435	49,336	7,581,507	36,300	4,000,843	20,047	2,146,047	47,352	6,002,324
JUL	49,800	6,453,488	35,396	5,324,249	41,500	4,776,409	26,551	2,660,751	30,464	3,252,408
AUG	56,250	7,128,798	47,370	6,802,180	35,417	4,101,088	28,160	2,927,946	35,524	3,714,390
SEP	59,283	6,990,335	32,686	4,482,845	32,391	3,741,899	41,147	4,207,647	18,982	2,038,062

Appendix IX

Uganda Coffee Export Series: 60-Kilo bags, Value in US \$ & Unit price

No	Coffee Year	QUANTITY	Value	Unit Price
		(60 - Kilo Bags)	US \$	US \$/Kilo
1	1964/65	2,158,736	76,820,312	0.59
2	1965/66	2,855,621	106,126,982	0.62
3	1966/67	2,637,862	146,548,850	0.93
4	1967/68	2,967,825	139,078,017	0.78
5	1968/69	2,670,201	162,473,613	1.01
6	1969/70	3,193,638	185,874,447	0.97
7	1970/71	3,032,609	130,818,018	0.72
8	1971/72	3,139,559	145,469,659	0.77
9	1972/73	3,677,100	175,549,153	0.80
10	1973/74	3,283,183	228,518,975	1.16
11	1974/75	2,861,399	175,337,140	1.02
12	1975/76	2,431,524	245,222,753	1.68
13	1976/77	2,449,737	558,512,578	3.80
14	1977/78	1,742,575	312,097,360	2.99
15	1978/79	2,353,031	389,108,354	2.76
16	1979/80	2,219,802	433,471,715	3.25
17	1980/81	1,973,458	230,463,637	1.95
18	1981/82	2,785,647	322,030,310	1.93
19	1982/83	2,194,888	295,259,322	2.24
20	1983/84	2,519,024	392,677,096	2.60
21	1984/85	2,500,031	367,591,092	2.45
22	1985/86	2,392,198	390,362,568	2.72
23	1986/87	2,280,206	308,594,658	2.26
24	1987/88	2,318,341	263,239,573	1.89
25	1988/89	3,114,396	294,867,882	1.58
26	1989/90	2,364,751	139,566,731	0.98
27	1990/91	2,085,004	121,343,113	0.97
28	1991/92	2,030,829	101,442,768	0.83
29	1992/93	2,088,642	108,873,991	0.87
30	1993/94	3,005,205	273,658,850	1.52
31	1994/95	2,792,753	432,651,034	2.58
32	1995/96	4,148,803	388,916,157	1.56
33	1996/97	4,237,114	355,126,641	1.40
34	1997/98	3,032,338	276,476,134	1.52
35	1998/99	3,647,989	282,995,511	1.29
36	1999/00	2,917,257	164,763,789	0.94
37	2000/01	3,074,773	104,776,424	0.57
38	2001/02	3,146,381	83,936,951	0.44
39	2002/03	2,663,888	104,787,094	0.66
40	2003/04	2,523,042	115,705,844	0.76
41	2004/05	2,504,890	162,078,550	1.08
42	2005/06	2,002,324	170,343,587	1.42
43	2006/07	2,704,236	256,580,844	1.58
44	2007/08	3,210,603	388,398,200	2.02
45	2008/09	3,053,688	291,743,882	1.59

UGANDA COFFEE DEVELOPMENT AUTHORITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30,
2009, TOGETHER WITH THE REPORT AND OPINION THEREON BY
THE AUDITOR GENERAL

AUDITED ACCOUNTS: 2008/09

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REPORT OF THE AUDITOR GENERAL TO PARLIAMENT IN RESPECT OF UGANDA COFFEE DEVELOPMENT AUTHORITY FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2009

Under section 16(2) of the Uganda Coffee Development Authority (UCDA) Act (Cap 325) and the National Audit Act 2008, I am required to audit the accounts of Uganda coffee development authority and report to parliament in accordance with article 163(4) of the Constitution of Uganda.

Report

The financial statements of Uganda Coffee Development Authority (UCDA) set out of pages 1 to 9, which comprise the Balance Sheet as at 30th September 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended together with a summary of significant accounting policies and other explanatory information have been audited.

Management responsibility for the financial statement

Under the provisions of the Uganda coffee development authority (UCDA) act the directors are responsible for the preparation and fair presentation of the financial statements in accordance with international financial reporting standards and for such internal controls as management determines is necessary to enable the preparation financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

The responsibility of the auditor is to express an independent opinion on the financial statements based on the audit.

The audit was conducted in accordance with international standards on auditing. Those standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments the auditor considers the internal controls relevant to entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the entity's internal control. An audit also includes evaluating the appropriateness of accounting estimates used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

Basis for Qualified Opinion Land and buildings

The value of the authority's land and buildings is reflected as Shs. 7,306 644,181 in the financial statements against which a depreciation of Shs. 108,478,303 has been provided.

IAS 16 requires land and buildings to be dealt with separately for accounting purposes even when they are required together. However, it was noted that management has not identified separately the cost of land and buildings. It was therefore not possible for audit to determine the actual value of the authority's land and buildings separately and to confirm the depreciation charged.

Revaluation of property plant and equipment

IAS 16 requires property, plant and equipment carried at revalued amounts to be revalued with sufficient regularity to ensure that carrying amounts do not differ materially from that which would be determined using fair values at the balance sheet date. The Authority has not carried out subsequent revaluation of assets for over a period of ten years. Consequently, the Authority's property, plant and equipment may not be fairly stated in the financial statements.

Qualified opinion

In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs above, the financial statements present fairly in all material respects, the financial position of Uganda Coffee Development Authority as at 30 September 2009 and its financial performance and cash flows for the year then ended and comply with the Uganda Coffee Development Authority Act (Cap 325).

Emphasis of matter

Without qualifying my opinion further, attention is drawn to Note 11 to the financial statements:

Investments in wet coffee processing machines

The authority has invested Shs. 834, 815,878 in Wet Coffee Processing Machines which were

financed by government under the Strategic Exports Program (SEP). These machines were offered to the beneficiaries at a discounted price by 50% to Shs. 417,407,939 under finance lease arrangement managed by DFCU Leasing in 2003. However not all these machines have been installed. As a result the original objective of value addition has not been achieved and repayment of the finance lease delayed.

Report on other legal requirements

As required by the Uganda Coffee Development Authority Act (Cap 325) I report to you, based on our audit, that:

1. Sufficient and appropriate evidence which was necessary for the purposes of the audit was obtained.
2. Proper books of account have been kept by the Authority so far as appears from the examination of those books, and
3. The Authority's balance sheet and income statement are in agreement with the books of accounts



John F. S. Muwanga

AUDITOR GENERAL

KAMPALA

September 06, 2010

UGANDA COFFEE DEVELOPMENT AUTHORITY
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The Uganda Coffee Development Authority Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and its surplus or deficit. It also requires that the Authority keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Authority. They are also responsible for safe guarding the assets of the Authority.

The Directors accept responsibility for the annual financial statements set out on pages 1 to 9, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Uganda Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the financial affairs of the Authority and of its surplus or deficit for the year. The Directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the twelve months from the date of this statement.



Eng. Fabian R. Tibeita

Chairman - Board of Directors



Henry A. Ngabirano

Managing Director

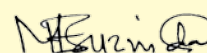
UGANDA COFFEE DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	Notes	2008/2009	2007/2008
Fixed Assets(Net)	2	5,827,094,739	6,017,346,688
Investments			
Investment in Joint ventures	9	357,114,350	416,768,423
Other investments	10	407,532,905	407,532,905
Current Assets			
Short-term Fixed Deposit	3	1,011,206,926	830,870,343
Cash at Bank	4(a)	692,900,935	1,222,498,582
Cash at Hand	4(b)	7,500	51,000
Debtors	5	711,194,177	573,050,860
Prepayments	6	8,409,694	9,574,500
		2,423,719,232	2,636,045,285
Less Liabilities			
Creditors: Amounts falling due within one year	7	1,123,422,862	2,292,293,540
Net Current Assets		1,300,296,370	343,751,745
Net Assets		7,892,038,365	7,185,399,761
FUNDED BY			
Funds of the Authority		2,216,750,000	2,216,750,000
Net Surplus		1,646,769,710	940,131,106
C.F.C Counter Funding		266,315,261	266,315,261
Capital Reserves		503,532,492	503,532,492
Asac Funding		746,529,785	746,529,785
Stabex Funding		847,800,000	847,800,000
UCDA Coffee Seedlings	8	1,664,341,117	1,664,341,117
TOTAL		7,892,038,365	7,185,399,761



HENRY A. NGABIRANO
MANAGING DIRECTOR



FRED LUZINDA- MUKASA
BOARD SECRETARY/ HEAD OF
FINANCE & ADMINISTRATION

UGANDA COFFEE DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	Notes	2008/2009 U Shs	2007/2008 U Shs
REVENUE	1		
UCDA Revenue and share of Joint Venture		7,394,864,863	8,232,615,200
Less: Share of Joint Venture Turnover		103,057,922	96,720,165
Total Operating Revenue		7,291,806,941	8,135,895,035
OPERATING EXPENSES			
Staff Costs	2	2,155,914,958	2,265,077,389
Administrative Expenses	3	920,863,277	869,164,718
Programme Expenses	4	3,506,172,008	3,063,401,322
Support to Coffee Organisations	5	108,529,901	82,660,000
International Obligations	6	389,189,324	388,831,189
Depreciation/ Provisions	7	260,486,466	295,669,545
Total Operating Expenses		7,341,155,934	6,964,804,163
UCDA Operating Surplus/ (Deficit)		(49,348,993)	1,171,090,872
Loss on disposal of fixed assets		(18,124,049)	(14,668,733)
Share of joint Venture loss in China		(64,752,685)	(63,121,562)
Share of joint Venture loss in Egypt		(3,130,620)	1,804,385
Share of joint Venture loss in Denmark		(35,174,618)	(35,402,988)
Net Surplus/ (deficit)		(170,530,964)	1,059,701,974

UGANDA COFFEE DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	2008/2009	2007/2008
	U Shs	U Shs
Retained deficit at the beginning of the year	940,131,106	(2,539,598,232)
Prior year adjustments	877,169,568	2,420,027,364
Operating Surplus/ Deficit for the year	(170,530,964)	1,059,701,974
Retained deficit at the end of the year	1,646,769,710	940,131,106
Adjustments		
1. UCDA		
Government Contribution for Arrears	843,289,947	
2007/2008 Debtors provision added back	31,021,648	
Property rates to the period September 2008	(40,545,877)	
	833,765,718	
2. China		
Exch Diff		
Fixed assets consolidated at 30.9.08	132,211,175	
B fwd balances as at 1.10.08	143,612,751	
Difference	11,401,576	
99% share	11,287,555	
current assets consolidated at 30.9.08	101,272,033	
B fwd balances as at 1.10.08	120,248,189	
Difference	18,976,156	
99% share	18,786,394	
Current liabilities consolidated at 30.9.08	(102,748,716)	
B fwd balances as at 1.10.08	(78,002,868)	
Difference	(24,745,848)	
99% share	24,498,390	
Net assets	54,572,340	
3. Egypt		
Net Assets consolidated at 30.9.08	(11,550,302)	
B fwd balances as at 1.10.08	(13,601,477)	
Difference	(2,051,175)	
60% share	(1,230,705)	
4. Denmark		
1. Differences in Retained Earnings		
Retained earnings c fwd in 2007/8	(1,274,376,750)	
Retained earnings b fwd in 2008/9	(1,298,615,250)	
	(24,238,500)	
41% share	(9,937,785)	
Total adjustment for Denmark (Ug Shs)	(9,937,785)	
Total prior year adjustments	877,169,568	

UGANDA COFFEE DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE PERIOD ENDING SEPTEMBER 30, 2009

	2008/2009	2007/2008
	U. Shs	U. Shs
Net Operating Surplus	(170,530,964)	1,171,090,872
Depreciation	230,031,871	264,647,897
Loss on disposal of fixed assets	18,124,049	14,668,733
Provision for bad & Doubtful debts	30,454,594	31,021,648
Prior year adjustments	877,169,568	1,398,095,704
Increase in Debtors	249,190,427	111,047,110
Decrease in Liabilities	(1,511,116,934)	(2,256,764,314)
Net cash flows from operating activities	(276,677,389)	733,807,650
INVESTING ACTIVITIES		
Construction of Laboratory equipment/Land & Buildings	(3,575,000)	(5,865,000)
Purchase of computers	(20,293,680)	(39,617,070)
Purchase of Furniture	(13,359,223)	(1,342,500)
Purchase of Liquoring Equipment	-	(303,500)
Purchase of Office Equipment	(41,137,235)	(8,754,257)
Purchase of Vehicles	(1,143,834)	(2,705,725)
Purchase of Moisture meters	-	(16,461,000)
Purchase of Espresso Machine	(10,890,000)	-
Disposal of Fixed Assets	32,495,000	14,990,000
Net Cash from Investing Activities	(57,903,972)	(60,059,052)
FINANCING ACTIVITIES		
Lease repayments to DFCU	(14,723,203)	(45,690,386)
Net Cash from Financing Activities	(14,723,203)	(45,690,386)
NET CASHFLOW	(349,304,564)	628,058,212
ANALYSIS OF CHANGES IN CASH & CASH EQUIVALENT		
Closing Bank Balances	1,704,107,861	2,053,368,925
Closing Cash Balances	7,500	51,000
Opening Bank Balance	(2,053,368,925)	(1,425,334,513)
Opening cash Balance	(51,000)	(27,200)
INCREASE IN CASH & CASH EQUIVALENT	(349,304,564)	628,058,212

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30TH SEPTEMBER 2009

1.1 BASIS OF ACCOUNTING

The accounts of the Authority are prepared under the historical cost convention.

1.2 RECOGNITION OF REVENUE

- i) Cess; Recognized at the time of export;
- ii) Rent; Recognized at the beginning of the month;
- iii) Government contribution; Recognized at the time of expenditure; and
- iv) Other revenues (Licenses and interest earned on account); Recognized on realization.

1.3 DEPRECIATION & IMPAIRMENT

Depreciation is calculated to write off the cost of fixed assets over their expected useful life using reducing balance method at the following annual rates: -

* Commercial Vehicles	25%
* Land and Building	2%
* Plant, Furniture and Equipment	12%
* Motor Vehicles	20%
* Computers & Peripherals	33%

Fixed assets are depreciated fully in the year of purchase and not depreciated in the year of disposal.

1.4 BAD AND DOUBTFUL DEBTS

Specific provisions are made for all known doubtful debts in addition to a general provision that is estimated by management. Bad debts are written off after approval of the Board of Directors.

1.5 CONVERSION AND TRANSLATION OF FOREIGN TRANSACTIONS

Transactions in foreign currencies during the year are converted into Uganda Shillings at rates ruling at the transaction dates.

Assets and liabilities denoted in foreign currencies are translated into Uganda Shillings at the rates ruling at the balance sheet date.

The resulting differences from conversion are recognized within the Income and expenditure account, while translation differences are charged against retained surplus or deficit in the year they arise.

1.6 CONSOLIDATION OF JOINT VENTURE ACTIVITIES

The Authority participates in Joint venture Companies for the sole purpose of promoting Uganda Coffee with Beijing Chenao Coffee Company Ltd in China, Uganda Egypt Coffee Manufacturing Company (UGEMCO) in Egypt and Mt Elgon Coffee Ltd.

The accounts reflect our share of the Joint Venture Company results that have been consolidated based on the gross equity method.

1.7 GOVERNMENT CONTRIBUTIONS ON VOTE 160: UGANDA COFFEE DEVELOPMENT AUTHORITY

Total Government contribution was Shs 2,023,166,177 for the coffee year 2007/2008, which constituted:

- Contributions to semi-autonomous organizations (Code 264101)- Shs 845,666,177 for recurrent expenditure; and
- Domestic arrears (code 321605)- Shs 1,177,500,000

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING SEPTEMBER 30, 2009

NOTE 2: FIXED ASSET SCHEDULE

COST/VALUATION	Land and Buildings	Office Furniture	Computer & Peripherals	Office Equipment	Motor Vehicles	Commercial Vehicles	Liquoring Equipment	Motor Cycles	Generator	Moisture Metres	Espresso Machines	TOTAL
At 1 October 2008	7,303,069,181	231,836,285	258,181,493	117,836,909	217,084,858	577,164,647	258,819,632	74,395,180	61,370,771	1,646,1000	-	9,116,219,956
Additions 2008/2009	3,575,000	13,359,223	20,293,680	41,137,235	1,143,834	-	-	-	-	-	10,890,000	90,398,972
Disposals 2008/2009	-	-	-	-	(41,226,533)	(236,218,512)	-	(19,910,800)	-	-	-	(297,355,845)
At 30 September 2009	7,306,644,181	245,195,508	278,475,173	158,974,144	177,002,159	340,946,135	258,819,632	54,484,380	61,370,771	16,461,000	10,890,000	8,909,263,083
DEPRECIATION												
At 1 October 2008	1,882,729,038	189,394,560	205,013,955	69,958,961	136,744,119	372,525,619	170,434,583	37,043,284	33,053,833	1,975,320	-	3,098,873,272
Disposal Adjustments	-	-	-	-	35,824,852	197,835,899	-	13,076,045	-	-	-	246,736,796
Adjusted opening depreciation	1,882,729,038	189,394,560	205,013,955	69,958,961	100,919,267	174,689,720	170,434,583	23,967,239	33,053,833	1,975,320	-	2,852,136,476
Depreciation for the Year	108,478,303	6,696,114	24,242,202	10,681,822	15,216,578	41,564,104	10,606,206	6,103,428	3,398,033	1,738,282	1,306,800	230,031,871
At 30 September 2009	1,991,207,341	196,090,674	229,256,157	80,640,783	116,135,845	216,253,823	181,040,788	30,070,667	36,451,865	3,713,602	1,306,800	3,082,168,347
Net Book Value	5,315,436,840	49,104,834	49,219,016	78,333,361	60,866,314	124,692,312	77,778,844	24,413,713	24,918,906	12,747,398	9,583,200	5,827,094,736

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDING SEPTEMBER 30, 2009

NOTE 3: SHORT-TERM FIXED DEPOSITS

	2008/2009	2007/2008
Tropical Bank- Pension	217,996,713	558,496,713
Tropical Bank-Operations	793,210,213	272,373,630
Total	1,011,206,926	830,870,343

NOTE 4(a): CASH AT BANK

	2008/2009	2007/2008
Stanbic Bank City Branch A/C 0140007511801	48,001,360	407,756,329
Stanbic Bank City Branch A/C 0140007222101	791,074	143,690,374
Standard Chartered Bank (Salary Account)	35,475,986	115,575,522
Standard Chartered Bank (Staff Pension Funds)	392,540,616	113,157,505
Barclays Bank Ltd. (Rent Account)	17,008,860	75,694,124
Housing Finance Company of Uganda Ltd	134,745	206,100
Tropical Africa Bank	41,479,824	227,912,651
Tropical Africa Bank Dollar A/C	157,468,470	65,156,838
BOU- Govt funding	-	73,349,139
Total	692,900,935	1,222,498,582

NOTE 4(b): CASH AT HAND

	2008/2009	2007/2008
	7,500	51,000

NOTE 5: DEBTORS

		2008/2009	2007/2008
Staff Advances	64,321,346		
Specific bad debt provision- Frances Kuka & Swithin Serwada	(1,700,000)		
Motor Vehicle Loan scheme	180,871,000	243,492,346	94,575,000
Rent Receivable	18,610,394		
5% General Provision for bad and doubtful debt for rent	(676,326)		
Specific bad debt provision- for rent-Kene	(5,083,866)	12,850,202	16,744,607
Cess Debtors	459,888,031		
5% General Provision for bad and doubtful debt for cess	(22,994,402)		
Specific bad debt provision- for cess	-	436,893,629	443,773,253
SIP Debtors (seedling arrears and coffee promotion)	-	-	-
Other debtors		17,958,000	17,958,000
Total		711,194,177	573,050,860

NOTE 6: PREPAYMENTS(Rent for regional Offices)

	2008/2009	2007/2008
	8,409,694	9,574,500

NOTE 7: CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008/2009	2007/2008
Prepaid Export Licence	6,000,000	-
Prepaid Rent	16,265,310	-
International Coffee Organization (ICO)	-	-
Inter Africa Coffee Organization (IACO)	293,459,927	1,182,946,596
DFCU Leasing facility	(1)	14,723,202
Retirement Benefit Scheme	565,415,749	591,536,182
RBS payable	(1)	-
Accruals	246,874,621	506,850,715
Nursery Operators	-	-
Local Service tax	3,632,500	1,057,500
SCB Staff loan	343	-
withholding tax	(291)	-
PAYE	5	-
VAT	(8,225,300)	(4,820,655)
Total	1,123,422,862	2,292,293,540

Note 8 SUPPORT TO UCDA COFFEE SEEDS

NOTE 9

	2008/2009	2007/2008
Share of assets in China	294,509,445	231,148,376
Share of liabilities in China	-175,262,639	-101,721,132
Share of assets in Egypt	214,275,529	87,458,960
Share of liabilities in Egypt	-225,567,035	-94,389,234
Share of assets in Denmark	249,569,050	294,886,453
Share of liabilities in Denmark	-410,000	-615,500
Total	357,114,350	416,767,923

Exchange rates used

China	280,800	245,936
Egypt	346,583	310,121

NOTE 10 OTHER INVESTMENTS

Wet Processing Machines	417,407,905	417,407,905
Other investments	-9,875,000	-9,875,000
Total	407,532,905	407,532,905

	2008/2009	2007/2008
	U Shs	U Shs
1 REVENUE		
CESS 1%	5,912,731,667	6,479,966,179
Rent Income	393,375,098	402,562,487
Interest Earned	22,023,099	12,623,768
Export & processing licence	91,210,000	85,530,000
Sundry Income	26,800,900	51,962,602
Government Contribution	845,666,177	1,103,249,999
	7,291,806,941	8,135,895,035

OPERATIONAL EXPENSES**Staff Costs****Employment Costs**

Salaries and Wages	1,265,099,129	1,159,233,534
Emergency Medical Provision	-	147,000
Performance Allowance	8,090,000	13,497,000
Public Holiday Expenses	25,135,000	22,235,000
Leave Allowance	142,948,072	138,680,059
N.S.S.F. Contribution	134,037,077	113,956,012
General Staff Welfare	11,485,810	14,469,900
Welfare Costs (funerals)	2,080,000	11,975,500
Retirement Benefit Scheme	189,519,874	172,862,903
Contract Gratuity	56,773,321	304,202,607
Staff training	62,879,648	62,080,263
Outsource Allowance	33,275,000	44,775,000
Medical Insurance	160,446,027	114,813,962
Fuel town running/refund	64,146,000	73,025,500
Acting Allowance	-	19,123,149

2 Total Staff Costs	2,155,914,958	2,265,077,389
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Administrative Expenses**Maintenance and Consumables**

Repairs - Buildings	58,147,529	39,460,853
Repairs - Office Equipment	6,444,300	12,476,056
Other Services/Office Cleaning	32,963,254	28,153,315
Repair & Maintenance - Cars	15,201,685	30,708,619
Motor vehicle fuel	62,622,000	67,307,000
M & S - Auto Supplies	24,567,178	23,946,229
Vehicle Registration/Licences	2,993,000	4,956,000

	202,938,946	207,008,072
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Establishment expenses

Telephone, Fax Bills	44,211,456	62,167,586
Postage, and Delivery	7,919,631	5,392,920
Professional Fees	43,788,828	10,356,097

Donations/Contributions	1,540,000	2,526,500
Insurance	37,744,830	28,254,356
Utilities - Water	5,356,069	17,098,449
Utilities - Electricity	39,361,061	38,684,348
Bank Charges/Interest Charges	30,726,429	27,931,289
Property Rates and taxes	32,746,132	29,253,880
Printing & Stationery	25,666,940	26,247,623
News Papers/Periodicals/subscription	6,713,925	6,681,375
Directors Expenses	34,608,249	102,798,721
Monitoring & Evaluation	129,289,150	-
Office Security	33,046,240	35,391,507
Internal Travel Costs	34,717,730	36,244,925
Legal Fees	28,952,705	16,546,769
Foreign Exchange Differences	63,937,860	96,085,955
Interest on lease	740,981	10,925,821
Rental Income tax	85,590,282	85,886,925
Brochures, Corporate shirts& cards	22,765,833	18,614,500
Billboard Refurbishment	-	2,767,100
Corporate Social responsibility	8,500,000	2,300,000
	717,924,331	662,156,646

3 Total Administrative Expenses	920,863,277	869,164,718
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	2008/2009	2007/2008
	U Shs	U Shs
Programme Expenses		
Research and Development Costs		
Socio-Economic Research	15,716,973	26,113,700
COREC Support	514,430,581	262,466,320
District Coffee Coordinators	118,945,666	279,479,709
Monitoring & Evaluation	60,154,420	59,152,900
Replanting Program	668,920,664	361,321,532
Training and seminars	145,287,966	95,225,260
Stakeholders Meeting	-	9,706,500
Coffee Development in N. Uganda	105,480,270	-
Regional Office Setup	57,307,752	-
	1,686,244,292	1,093,465,921

Information Systems

Departmental Publications	24,112,656	47,100,589
Market Evaluation/Stock Survey	21,387,370	20,398,500
Information Technology Functions	46,889,081	47,034,845
	92,389,107	114,533,934
Quality and Regulatory		
Technical Extension Services	38,546,330	46,060,350
Coffee & Quality Enhancement	179,207,626	149,936,703
IACO Counterpart Funding	-	504,000
	217,753,956	196,501,053
Coffee Promotion & Market Development	1,378,281,565	1,528,355,850

Common Technical Programs

Local Trade Fairs & Exhibition	16,331,024	23,065,900
Radio Programs	28,522,440	23,526,000
Publicity & Advertisement	86,649,624	83,952,664
	131,503,088	130,544,564

4 Total Programme Expenses	3,506,172,008	3,063,401,322
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Other Support Expenses		
Support to Coffee Organisations		
UCTF Support	21,240,000	26,240,000
NUCAFE Support	30,600,000	50,300,000
Coffee Roasters Association	6,120,000	6,120,000
Coffee Banana Project	4,925,000	-
Collaboration with Coffee Organisations	45,644,901	-
	108,529,901	82,660,000

5 Other Support Expenses total	108,529,901	82,660,000
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International Obligations		
ICO - Contributions	108,758,811	127,300,000
IACO - Contributions	249,126,028	210,000,000
External Travel -ICO	6,745,210	38,256,736
External Travel - IACO	20,819,400	9,763,776
ADB/IACO Capacity Building	3,739,875	3,510,677

6 International Obligations	389,189,324	388,831,189
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Depreciation/Provisions		
Land and Buildings	108,478,303	110,619,187
Office Furniture	6,696,114	5,787,508
Computers and Peripherals	24,242,202	26,186,996
Office Equipment	10,681,822	6,528,811
Motor Vehicle	15,216,578	20,085,185
Commercial Vehicle	41,564,104	68,213,009
Liquoring Equipment	10,606,206	12,052,506
Moisture meters	1,738,282	1,975,320
Motor Cycle	6,103,428	9,337,974
Generator	3,398,033	3,861,401
Espresso Machine	1,306,800	-
Provision for CESS/Rent/staff debtors	30,454,594	31,021,648

7 Total Depreciation/ Provisions	260,486,466	295,669,545
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