



Uganda Coffee  
Development Authority

# Annual Report

## 2018/19



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## Acronyms /Abbreviations

<b>aBi</b>	-	Agri Business Development	<b>NESGL</b>	-	North Eastern Savannah Grasslands
<b>AGM</b>	-	Annual General Meeting	<b>NWSGL</b>	-	North Western Savannah Grasslands
<b>AFCA</b>	-	Africa Fine Coffees Association	<b>OWC</b>	-	Operation Wealth Creation
<b>ASSP</b>	-	Agricultural Sector Strategic Plan	<b>PRAU</b>	-	Public Relations Association of Uganda
<b>BCTB</b>	-	Black Coffee Twig Borer	<b>PRL</b>	-	Pastoral Range Lands
<b>BQC</b>	-	Basic Quality Control	<b>QC</b>	-	Quality Controllers
<b>CDWr</b>	-	Coffee Wilt Disease Resistant	<b>RCEO</b>	-	Regional Coffee Extension Officer
<b>CLR</b>	-	Coffee Leaf Rust	<b>RCTO</b>	-	Regional Coffee Technical Officer
<b>CURAD</b>	-	Consortium of University's Responsiveness to Agribusiness Development	<b>RITA</b>	-	Temporary Immersion Bioreactor System in vitro plant culture
<b>DGAL</b>	-	Directorate of Government Analytical Laboratory	<b>SCA</b>	-	Specialty Coffee Association
<b>EU</b>	-	European Union	<b>SCAA</b>	-	Specialty Coffee Association of America
<b>FAQ</b>	-	Fair Average Quality	<b>SCAE</b>	-	Specialty Coffee Association of Europe
<b>FLO</b>	-	Fair Trade Labelling Organization	<b>SSMO</b>	-	Sudanese Standards and Metrology Organisation
<b>FY</b>	-	Financial Year	<b>SWFL</b>	-	South Western Farmlands
<b>GAPs</b>	-	Good Agricultural Practices	<b>UESW</b>	-	Uganda Electronic Single Window
<b>HR</b>	-	Highland Ranges	<b>UCDA</b>	-	Uganda Coffee Development Authority
<b>IACO</b>	-	Inter African Coffee Organisation	<b>UCFA</b>	-	Uganda Coffee Farmer's Alliance
<b>ICO</b>	-	International Coffee Organisation	<b>UGC</b>	-	Uganda Green Coffee
<b>IGCU</b>	-	Institute of Corporate Governance	<b>UMA</b>	-	Uganda Manufacturers Association
<b>ITC</b>	-	International Trade Centre	<b>UNBC</b>	-	Uganda National Barista Championship
<b>IUBC</b>	-	Inter University Barista Championship	<b>UNBS</b>	-	Uganda National Bureau of Standards
<b>IWCA</b>	-	Uganda – International Women's Coffee Alliance	<b>UQPPTC</b>	-	Uganda Quality Coffee Traders and Processors Association
<b>Alliance</b>	-	Uganda Chapter	<b>URA</b>	-	Uganda Revenue Authority
<b>LVC</b>	-	Lake Victoria Crescent	<b>USAID</b>	-	United States Agency for International Development
<b>MAAIF</b>	-	Ministry of Agriculture, Animal Industry and Fisheries	<b>USDA</b>	-	United States Department of Agriculture
<b>MIS</b>	-	Management Information System	<b>USS</b>	-	Uganda Statistical Society
<b>MT</b>	-	Metric Tonnes	<b>TDZ</b>	-	Thidiazuron
<b>NaCORI</b>	-	National Coffee Research Institute	<b>TC</b>	-	Tissue Culture
<b>NDP</b>	-	National Development Plan	<b>WSGL</b>	-	Western Savannah Grasslands
<b>NTOH</b>	-	National Taste of Harvest			
<b>NUCAFE</b>	-	National Union of Coffee Agribusinesses and Farm Enterprises			

## Authority's Overview

Uganda Coffee Development Authority (UCDA) has been in existence since 1991 and has a number of clients it is serving. Major stakeholders include: Farmers, Processors, Exporters, Roasters, Other Government Ministries and Agencies, Local Governments, International Agencies and the Media. The Authority's strategic interventions during the year were hinged on the National Development Plan 2 (2015/16-2019/20) strategic focus as well as the Agriculture Sector Strategic Plan 2 (2015/16-2019/20) both of which emphasize production and productivity as well as market access and institutional development. The NDP 2 prioritized 5 key growth areas: (i) Agriculture; (ii) Tourism; (iii) Minerals, oil and gas; (iv) Infrastructure development; and (v) Human capital development. The ASSP 2 has 4 strategic objectives: (i) Increasing agricultural production and productivity; (ii). Increasing access to critical farm inputs; (iii). Improving agricultural markets and value addition; and (iv). Improving service delivery through strengthening the institutional capacity of MAAIF and its agencies. Coffee was one of the strategic commodities in NDP 2 and ASSP 2 with corresponding strategies embedded in the National Coffee Strategy (2015/16-2019/20). Coffee is also one of the enterprise mix in the NRM 2016-2021 Manifesto in the 4-acre model to transform farmers from peasantry to commercial farmers

The Uganda Coffee Development Authority (UCDA) came into existence with the passing of the UCDA Bill by the National Resistance Council of 1991 and the Presidential assent to the UCDA Statute of July 12, 1991 (amended in 1994). UCDA is one of the agencies currently under the Ministry of Agriculture, Animal Industry and Fisheries.

It is governed by a Board of Directors which oversees the conduct of business and supervision of the UCDA Management, which is responsible for the day – to – day operations. The Board's objective is to preserve UCDA's institutional competitiveness as well as ensuring that the Authority operates in a reliable and safe manner.

### Our Mandate

To promote and oversee the coffee industry as a whole by developing research and controlling the quality and improving the marketing of coffee and to provide for other matters connected therewith.

### Our Vision

**A sustainable coffee industry with high stakeholder value for social economic transformation.**

### Our Mission

**To facilitate increase in quality coffee production, productivity, and consumption.**

**We live by the slogan: "Empowering livelihoods"**

### Mission Objectives

1. **Promote, improve and monitor marketing of coffee to optimize foreign exchange and farmers' earnings;**
2. **Guarantee that the quality of coffee exports meets international standards;**
3. **Develop and promote the coffee and other related industries through research and extension arrangements;**
4. **Promote the marketing of coffee as a value added product;**
5. **Promote domestic consumption of Uganda coffee;**
6. **Harmonize activities of coffee sub-sector associations in line with industry objectives; and**
7. **Formulate policies related to the coffee industry**

## Our Values

In pursuit of its mission, UCDA is guided by a commitment to team work, professionalism, and client focus while promoting integrity, accountability with foresighted leadership as central to its work.

1. *Leadership: We lead the industry including the actors, clients and all stakeholders by being at the forefront of the growth of the industry and its prosperity.*
2. *Integrity: We act with honesty and adhere to fairness in an ethical way.*
3. *Teamwork: We value working together internally within the organization as well as with the external stakeholders with strong relationships, respect and sharing with all parties with interest in the industry.*
4. *Client focus: In whatever we do, we put all value chain actors as the center of attention.*
5. *Accountability: We take responsibility and disclose our activities to all stakeholders in the industry.*
6. *Professionalism: We maintain and develop staff to perform work with competence, dedication, expertise and care.*

## High Impact goals

### 1. Increase coffee production and productivity at farm level

The Authority plans to ensure sustainable increases in productivity through effective use of high quality inputs; supporting farmers through strengthening extension services so that better coffee farming practices are embraced at farming, harvest and post-harvest levels; supporting innovations and training farmers on quality inputs as well as good agricultural, harvest and post-harvest practices.

### 2. Promote quality, value addition and marketing of Ugandan coffee

Quality at all stages of the coffee value chain

is essential for competitiveness. For this goal, the Authority will ensure that quality coffee is produced through developing the capacity of farmers through trainings and guidance by extension officers. It will train stakeholders in good roasting and brewing practices and machine maintenance and also ensure standards development and compliance at primary, secondary (grading) and tertiary (roast and ground) levels. Further, there will be strong regulations at farm level so that quality beans are processed. The Authority will create demand for coffee in emerging, traditional and domestic markets; enhance promotion of domestic coffee consumption through showcasing coffee in coffee shows, trade fairs and workshops as well as holding annual national barista competitions for the youth.

The Authority will support stakeholders in accessing market information and disseminate daily, monthly and annual reports to stakeholders in a timely manner.

### 3. Build sustainable coffee institutions

The Authority will strengthen the coffee research system through provision of financial assistance to National Coffee Research Institute (NaCORI) to ensure responsiveness to industry research requirements and demands; Support the formation and strengthening of coffee farmers' organizations; Streamline and strengthen existing coffee laws, regulations and standards at all stages of the coffee value chain; Develop financing instruments for investments in the coffee value chain and Strengthen governance within the coffee subsector.

Pillars	Objectives	Outcomes	Key Outputs
IV. Market Intelligence and Development	<p>Objective 3.1: Improve market access for farmers and farmer organisations</p> <p>Objective 3.2: Rebuild competitiveness and market share in traditional markets while promoting entry and penetration in new and emerging markets</p> <p>Objective 3.3: Promote domestic consumption of coffee as a way of enhancing coffee industry competitiveness and developing the domestic coffee market</p>	<p>Increased access to coffee market information by stakeholders especially small scale farmers</p> <ul style="list-style-type: none"> <li>• 425,753 60-kg bags coffee worth US\$ 44.7 million certified for export to 27 new and emerging markets</li> <li>• Increased exports to 15 new and emerging markets totaling 353,806 bags with Africa taking 57% of market share in emerging markets</li> <li>• Increased coffee exports to USA -264,752 bags in FY 2018/19 compared to 157,843 bags in FY 2017/18</li> <li>• 88,056 bags worth US\$10 million exported to China, Singapore, South Korea and Japan.</li> <li>• Coffee Exports to Russia amounted to 21,884 bags representing 0.52% of exports</li> </ul>	<ul style="list-style-type: none"> <li>• 249 daily coffee market reports and 12 monthly market reports disseminated to stakeholders</li> <li>• 4 international coffee events in which Uganda Coffee is promoted (Specialty Coffee Association of America, Specialty Coffee Association of Europe, Specialty Coffee Association of Japan Africa Fine Coffee Conference and Exhibition</li> <li>• Organized Origin Trip by foreign buyers from USA</li> <li>• 8 Trade shows and 8 events organized in China</li> <li>• Conducted a coffee market study in the Russian Federation with following highlights: (i) The coffee market in Russia is currently worth over US\$ 2.5 billion (ii) Presents 3% of the global demand for coffee (4.6 million bags) (iii) per capita consumption p.a. year is 1.7 kg compared to tea (1.3kg) (iv) 85% of coffee consumed in Russia is soluble (v) Major Ugandan competitors are: Vietnam, Brazil Indonesia and Germany</li> <li>• High potential for the penetration of Uganda coffee in Russian market.</li> </ul>

## FY 2018/19 Outputs, Outcomes in line with the National Coffee Strategy

Pillars	Objectives	Outcomes	Key Outputs
I. Production and Productivity	Objective 1: Increase coffee production and productivity at farm level in a sustainable way that addresses the social, ecological and economic dimensions	6.95 million bags produced	<ul style="list-style-type: none"> <li>• 66 Nursery Coffee Wilt Disease Resistant (CWD<sub>r</sub>) Mother Gardens Established &amp; Supported</li> <li>• 327 million coffee seedlings raised</li> <li>• 45 Coffee District Platforms facilitated for coffee activities</li> <li>• 153 farmer demonstration plots established</li> <li>• 3 million coffee seedlings raised</li> <li>• 13 farmer field school (FFS) sessions conducted in Northern Uganda</li> <li>• 9 Technology Demonstration Sites (TDS) established in Northern Uganda</li> </ul>
II. Quality Improvement and Value Addition	Objective 2.1: Ensure quality at all stages of the coffee value chain	<ul style="list-style-type: none"> <li>• Improvement in FAQ Out-turn and higher Screen retention</li> <li>• 4.17 Million bags of coffee exported valued at US \$ 415 Million contributing 1.3% to GDP and 11% of formal commodity exports value</li> </ul>	<ul style="list-style-type: none"> <li>• 2,266 Fairly Average Quality (FAQ) samples (clean coffee) analyzed</li> <li>• 4.17 million 60-kg bags of coffee bags certified for export</li> <li>• 12,956 Quality Certificates and ICO Certificates of Origin issued</li> </ul>
	Objective 2.2: Promote value addition processes at all stages of the coffee value chain to respond effectively to both national and international market requirements and opportunities	<ul style="list-style-type: none"> <li>• 212,879 bags valued at US\$ 31 million sold as sustainable/certified coffees with the highest sold at US\$ 4.1/kg.</li> </ul>	<ul style="list-style-type: none"> <li>• Mapped 77 lead farmers conducted in 28 microcenters using ArcGIS traceability tool</li> <li>• Trained 227 farmers (96F &amp; 45Y) from 15 farmer groups in sustainable coffee production systems, value addition, certification, conformity and market access in 3 regions</li> </ul>

Pillars	Objectives	Outcomes	Key Outputs
	<p>Objective 4.4: Streamline and strengthen existing coffee laws, regulations and standards at all stages of the coffee value chain</p> <p>Objective 4.5: Develop financing instruments for investing in the coffee value chain</p> <p>Objective 4.6: Strengthen coordination within the coffee subsector</p>	<ul style="list-style-type: none"> <li>National Coffee Bill 2018 tabled before Parliament for First Reading</li> <li>Increased access to finance by various coffee value chain actors</li> <li>Strengthened coordination with stakeholders while developing the Coffee Roadmap</li> </ul>	<ul style="list-style-type: none"> <li>The Bill was tabled before Parliament for the First Reading on the 30th April, 2019 and scrutiny by the sectoral committee on Agriculture, Animal Industry and Fisheries.</li> <li>The Bill was tabled before Parliament for the First Reading on the 30th April, 2019 and scrutiny by the sectoral committee on Agriculture, Animal Industry and Fisheries.</li> <li>Signed a Memorandum of Understanding with Uganda Development Bank</li> </ul>



Pillars	Objectives	Outcomes	Key Outputs
V. Institutional Development and Accountability	<p>Objective 4.1: Strengthen the coffee research system so that it is more responsive to industry requirements and demands</p> <p>Objective 4.2: Establish a strong coffee specific extension capacity that meets the prevailing industry requirements</p> <p>Objective 4.3: Support the formation and strengthening of coffee farmers' organisations</p>	<ul style="list-style-type: none"> <li>• NaCORI infrastructure strengthened</li> <li>• 10 KR Lines developed and technology transferred to nursery operators for multiplication</li> <li>• 0.54 million CWDr plantlets raised</li> </ul> <p>48 Regional Coffee Extension Officers)</p> <ul style="list-style-type: none"> <li>• Extension Manager, Technical Extension Manager &amp; Technology Development Manager &amp; Director, Development Services</li> <li>• 5 UCDA operational regional offices</li> </ul> <ul style="list-style-type: none"> <li>• Increased coffee exports by 11 Cooperative Unions/ societies totaling 84,201 bags representing a market share of 2% of total coffee exports.</li> </ul>	<ul style="list-style-type: none"> <li>• 8 housing units for staff</li> <li>• Biotechnology lab equipped with essential equipment</li> <li>• Novel tissue culture protocols developed</li> <li>• 96,764 cuttings clones harvested</li> <li>• 33,382 rooted cuttings weaned</li> <li>• 21,943 rooted cuttings availed to farmers</li> <li>• NaCORI Communication plan developed</li> <li>• Studies on tree spacing, fertilizer application, benefits of shade trees, screening of Coffee Wilt Disease pathogen types and field management undertaken public finance management and professional courses</li> <li>◦ Training of Trainers for 56 field extension Staff (7 females and 49 Males) held</li> <li>◦ Two (1 female &amp; 1 male) staff attended a monitoring and evaluation training</li> <li>◦ 20 Management staff trained in effective leadership and performance enhancement sessions</li> <li>◦ 22 staff participated in Gender and Equity Training; 25 staff members trained in procurement planning</li> <li>◦ 1 staff trained in open data management</li> <li>• Conducted farmer mobilization, sensitization and training in for 2,240 farmers (1,391 males, 735 females and 114 youth) in 15 districts</li> </ul>

# Foreword



## Foreword

During the year ended June 2019 the Authority laid emphasis on the objectives of the Coffee Roadmap of producing and exporting 20 million bags per annum by the year 2025. At the end of June 2019, total production had grown to over 6.7m 60kg bags.

As I write, The National Coffee Bill 2018, which was initiated by the Authority, is in the final stages of Parliamentary debate. It promises to drastically improve the performance of the Coffee Industry providing among others:

- *A participatory, competitive and sustainable coffee sub sector*
- *Mandate to UCDA to promote and oversee the Sub sector.*
- *Locus to UCDA to regulate both on-farm and off-farm activities of the entire value chain of the coffee sub sector within Uganda.*

One of UCDA's core values is being client focused. In line with this, we continued to develop literature including the Clonal Robusta Coffee nursery manual, and the Robusta and Arabica Coffee hand books to keep stakeholders informed. We are grateful to the USAID Feed the Future – Enabling Environment for Agriculture Activity for providing much needed technical and financial assistance in developing these critical materials and helping us

build capacity.

Uganda participated in the Annual General Assembly of the Inter African Coffee Organisation (IACO) and in the 6th African

Coffee Symposium both held in Libreville, Gabon in November 2018. The AGM theme was 'Organisation of the Coffee Sector in Africa for Sustainable and Inclusive Development'. Both events were attended by the top brass of the International Coffee Organisation of which Uganda in the person of the UCDA Managing Director holds Chairmanship of the docket of Finance and Administration Committee.

Over the period we have engaged various kinds of strategic partners to respond to the need for Uganda coffee to be more competitive both locally and globally.

So, jointly with the private sector, we participated in various exhibitions at home and abroad showcasing Uganda coffee and facilitating the industry to secure useful and profitable engagements. We, therefore, envisage increased penetration of Uganda coffee in various markets. We are in particular looking to the rapidly increasing specialty/niche markets. Indeed, this move is a necessary complement to the large increase in acreage under coffee that we have seen in recent years.

We recognise that Coffee House is largely responsible for the Key Performance Indicators but also know that some of them are intangible and often outside Board control and or influence while remaining very key to performance. This is particularly so in a resource based situation in which UCDA operates. We are grateful to the more powerful stakeholder who has from time to time supported us and we hope the great relationship will continue.

Along these efforts, UCDA started implementation of a regional project – the European Union East Africa Community Market Access Upgrade Programme (EU EAC MARKUP) – aimed at increasing Uganda coffee’s access to markets in the EU. The International Trade Centre (ITC) on coffee trade dynamics, quality assurance, monitoring and evaluation facilitated the training sessions. UCDA will ensure that the larger stake holder family takes advantage of this knowledge of consumer demands and requirements in the destination markets which are at the centre of business viability.

The number of coffee growing districts increased from 93 to 112. Total coffee production over the period climbed from 4.0 million bags in FY 2015/16 to 7.0 million bags in FY 2018/19 and staff numbers increased from 87 in 2015 to 118 by June

2019. Gross revenue rose even much more from UGX 46.4 Billion in FY 2014/15 to UGX 128.64 Billion in FY 2018/19. Thanks to Government which provided up to UGX148.62 Billion for coffee seedlings. The period 2014 -2019 witnessed huge leaps and improvements in all departments of the Authority.

The positive changes were a result of many factors and here I want to identify my colleagues with whom I have served on the Board. They were an excellent group. Each has contributed to the maximum and there has been a high level of comradeship. Together we have provided the leadership to both staff and industry and the latter too have been available when we needed them in the fight for improved quality coffee especially for export and formulation of better regulation of the industry. That said, we would not have achieved the lofty objectives had it not been for the staff. The men and women on the front line took full advantage of the fire-power cover we provided to win the battle. Management remained focused despite many interruptions. We are grateful to them all in the various roles each of which was and will remain critical to a successful UCDA.

Whether it is the 20 million bags or the Specialty Coffee market, all staff know they are playing the appropriate part to achieve the goals.



**Perez Bukumunhe FCIB**  
**UCDA Board Chairman**



## Message from the Managing Director



Dr. Emmanuel Iyamulemye Niyibigira

coffee exports  
**4.17**  
million bags valued at  
US \$ **415** million

First of all, I would like to thank all coffee stakeholders for completing Financial Year 2018/19. During the past year, the coffee industry continued to implement a number of interventions geared towards increasing coffee production and exports.

We note that coffee exports were 4.17 million bags valued at US \$ 415 million, a 6.2% and 15.7% drop in both quantity and value respectively compared to last year.

However i am convinced that with favourable rains which have been exhibited in the first half of 2019 that are likely to continue, production and exports are envisaged to increase significantly in the new Financial Year, 2019/20. This performance should take us back to the positive trend that will enable us realize the 20 million bags per year by 2025.

During the year the Authority, through Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), tabled the National Coffee Bill 2018 before Cabinet. The Bill was gazetted in November 2018, presented to Parliament for the 1st reading on the 30th of April, 2019 and forwarded to the Parliamentary Committee on Agriculture, Animal Industry and Fisheries for consultations prior to report compilation.



I am happy to report that an implementation plan of the Coffee road map was developed with actionable goals, targets, deliverables and indicative costs as well as a mechanism to coordinate the various actors who will contribute to the realization of the targets. In this regard, I would like to sincerely thank the European Union for the technical and financial assistance extended to us to actualize this.

A number of other interventions were undertaken notably the dissemination of the Clonal Robusta Coffee nursery manual, Robusta and Arabica Production handbooks.

UCDA promoted Uganda coffee at 3 international trade fairs and exhibitions i.e. Specialty Coffee Expo in Boston, USA organized by Specialty Coffee Association (SCA), African Fine Coffees Association (AFCA) in Kigali and World of Coffee in Berlin, Germany organized by SCA. We continue to receive feedback that most roasters appreciate Uganda Fine Robusta.

To promote domestic coffee consumption, UCDA is continuously engaging roasters through training in green coffee classification using the Agroton scale, roast identification, cupping and reflected

in the number of better finished coffee products/ brands on the market. Also, information on health benefits of drinking coffee was disseminated.

UCDA also supported coffee programmes in 4 universities and 5 secondary schools: Gulu University, Mbarara University of Science and Technology (MUST), Muni University in Arua, Mountains of the Moon University in Fort Portal, Gulu High School, Lira College, Kololo S.S.S. St. Balikuddembe S.S.S. and St. Gertrude Girls School, Kisoro.

UCDA also trained 29 baristas, organized the 7th Inter University Barista Championship and the 12th Uganda National Barista Championship whereby the winners represent Uganda in various continental and global competitions.

During the year, UCDA procured 38,475 kg of seed to nursery operators and also allocated 537,615 CWD<sub>r</sub> (Coffee Wilt Disease Resistant) plantlets to 112 beneficiaries (86 males and 26 females). Together with Operation Wealth Creation (OWC), 327,555,806 coffee seedlings were distributed in all coffee regions in Uganda. In addition, coffee rehabilitation was undertaken





in 50 coffee districts whereby 153 farmers were equipped with rehabilitation tools (Bow saw, pruning Saw and secateurs).

Support to National Coffee Research Institute (NaCORI) continued with positive outcomes on improved infrastructure at NaCORI, Kituza, Mukono, in form of equipping the biotechnology laboratory with essential equipment and construction of 8 housing units. Additionally, novel tissue culture protocols were developed, 96,764 cuttings cloned, 33,382 rooted cuttings weaned and 7,308 tissue culture plantlets generated.

Engagement with the key stakeholders especially development partners like USAID under the Feed the Future Programme, aBi Development and the European Union continued with significant outcomes.

On behalf of the UCDA Management and Staff and on my own behalf, I extend my sincere appreciation to the Board for policy development

and guidance as well as monitoring the Authority's planned activities to ensure value for money.

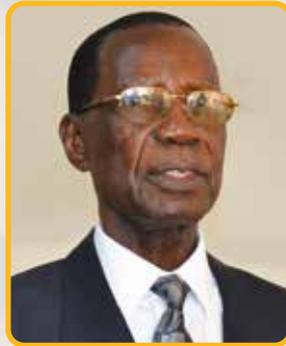
  
**For God and My Country**



## BOARD MEMBERS



Richard Okot  
Board Member



Perez Bukumunhe  
Chairman



Rose Kato  
Board Member



Beatrice Byarugaba  
Board Member



Frederick Luzinda  
Board Member / Chairman Audit  
& Compliance Committee



Ishak Lukenge  
Board Member



Dr Emmanuel Iyamulemye Niyibigira  
Managing Director



John Nuwagaba  
Board Member



Dr. Albert Musisi  
Board Member / Chairman  
Finance & Policy Committee



Michael Nuwagaba  
Board Member



Andrew Kilama Lajul  
Board Secretary



Prof Julius Zake  
Board Member / Chairman  
Technical Programmes Committee

## EXECUTIVE DIRECTORATE



Elliot Ainomugisha  
Head Procurement & Disposal Unit



Dr. Emmanuel Iyamulemye Niyibigira  
Managing Director



Laura Walusimbi  
Corporate Communications  
Manager



William Rugadya  
Audit and Compliance Manager

## BOARD SECRETARY'S OFFICE AND CORPORATE SERVICES DIRECTORATE



Andrew Lajul Kilama  
Board Secretary & Director,  
Corporate Services



Nina L. Nassuna  
Manager Finance



Angelita Musimenta  
Human Resource Manager



Lydia Kitakufe  
Management Information  
Systems Manager



Eunice Kabibi  
Legal Manager



Edwin Agaba  
Administration Manager

## QUALITY AND REGULATORY SERVICES DIRECTORATE



Edmund Kananura Kyerere  
Quality and Regulatory  
Services Director



Doreen Rweihangwe  
Quality Assurance Manager



Betty Namwagala  
Marketing and Promotions  
Coordinator



Samson Mpiira Akankiza  
Coffee Sustainability Manager

## DEVELOPMENT DIRECTORATE



**Apollo T. Kamugisha**  
Director Development Services



**Mike Butsey Maliro**  
Regional Manager-Elgon Region



**Edward Lutaakome-Ssentamu**  
Regional Manager-Central Region



**Robert Tumwesigye**  
Technical Extension Manager



**Jimmy Baluku**  
Regional Manager-Eastern Region



**Isaac Chepkurui**  
Regional Manager  
Northern Region



**Liza M. Luseesa**  
Regional Manager-Western Region



**Moses Asimwe**  
Regional Manager-Ankole Region



**Emmanuel Tumwizere**  
Regional Manager-Rwenzori Region

## STRATEGY AND BUSINESS DEVELOPMENT DIRECTORATE



**Bradford Ochieng**  
Director, Strategy and  
Business Development



**Samuel Samson Omwa**  
Business Development and  
Innovation Manager



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



**Paddy Namurebire**  
Monitoring and Evaluation Manager



## 2018/19 Results

01

Seedlings Distributed

327 Million Elite  
0.54 Million CWDR

02

Coffee's Contribution to GDP in FY 2018/19  
Coffee's Contribution Goods Exports

1.3%  
13%

03

Preliminary results of Uganda's Robusta and Arabica Quality Profiles released.

11 Quality profiles

04

Total Marketed Production 5% increase

5.0M bags

05

4.17 M bags were Exported worth US\$ 415 million

Exports

06

Consumption 12.8% of exports

532,800 60kg bags were consumed

## EXECUTIVE SUMMARY

### Strategy and Business Development

1. In FY 2018/19, Uganda exported 4.17 million 60-kilo bags valued at US\$ 415 million compared with 4.45 million worth bags US \$ 492 million exported in FY 2017/18. This reflected a decrease of 6.42% and 15.66 % in volume and value respectively. Nonetheless, the implementation of the Uganda Electronic Single Window (UESW) has improved the export clearing system with minimized delays.
2. The weighted average unit export value<sup>1</sup> for FY 2018/19 was US\$ 1.66 per kilo, with Robusta at US \$ 1.57 and Arabica US \$ 1.97 per kg.
3. The closing stocks as on 30th June 2019 stood at 1,276,068 bags, higher than 979,863 the previous year, 2017/18. This comprised 870,426 bags of Robusta and 405,642 bags of Arabica. The high stocks were on account of lower global prices which forced exporters to hoard on their stocks until prices improve.
4. Domestic coffee consumption increased from 244,800 60-kilo bags in FY 2017/18 to 532,800 bags in FY 2018/19 as per the Domestic Coffee Consumption Survey Report (December 2018).

### Value Addition and Quality Improvement

1. By close of the financial year, the UCDA Lab was fully operational under the ISO 17025 and all exports are tested using the standard. This continues to create confidence among foreign buyers.
2. UCDA fully addressed the requirements set by

**1** Weighted average unit export value is generated from different prices of different grades considering both quantity and value of each grade ( $\frac{\sum P_i Q_i}{\sum Q_i}$  where  $P_i$  is the price of grade  $i$  and  $Q_i$  is quantity of grade  $i$ ).

Sudanese Standards and Metrology Organization (SSMO). In this regard, UNBS had formally submitted the results to the SSMO awaiting signing of the treaty. However, Sudan exports fell by 18.2% from FY 2017/18 (295,256 bags) compared to FY 2018/19 (241,504 Kgs) due to the political instability in the country.

3. UCDA evaluated 600-field coffee samples and determined the quality of coffee in the field. Compared to same period (FY 2017/18), the coffee improved in the bean size in both Robusta and Arabica. The improved bean size is attributed improved application of good practices.
4. UCDA continued to train and sensitize industry players in different districts.
5. Using EAS 105:1999 standard, 87 coffee brands inclusive of 15 samples of coffee finished products of new brands on the market were evaluated through a sensory analysis
6. Trained 162 roasters (44 Females) in 6 sessions in roasting profiles in 3 regions (Western, Central and Eastern).
7. Conducted 11 taskforces across the value chain in Western, South Western, Central and Eastern to enforce coffee regulations and quality improvement campaigns whereby 187 primary processing factories were inspected and remedial actions undertaken.
8. Promoted Uganda coffee at 3 international trade fairs and exhibitions i.e. Specialty Coffee Expo in Boston, USA organized by Specialty Coffee Association (SCA), African Fine Coffees Association (AFCA) in Kigali and World of Coffee in Berlin, Germany organized by SCA. UCDA also conducted 9 cupping sessions of fine and specialty coffee with over 98 buyers, traders, roasters & consumers from Europe, Asia and the Americas. We continue to receive feedback that most roasters appreciate Uganda Fine Robusta.

9. On generic promotion, UCDA supported the UCDA China Guangzhou Representative office to promote Uganda coffee at 8 trade shows and 8 events in China: Registration of China RO completed and now operational. A total of 18,270 (60 kilo bags) of coffee were exported to China by 8 companies. Kyagalanyi Coffee Ltd. had the largest market share of exports (32%) closely followed by Olam Uganda Ltd. (32%), Louis Dreyfus Company (U) Ltd. (16%) Kawacom (U) Ltd. (12%), Ideal Commodities (3%), Kampala Domestic Store (2%), Commodity Solutions Ltd. (2%) and NUCAFE Ltd (1%). Generally, a total of 88,056 bags worth (US\$ 9.8 million) were exported to China, Taiwan, Singapore, South Korea and Japan.

#### **Coffee Development Services**

1. Distributed 38,475 kg of coffee seed to nursery operators comprising 34,350 Kgs of Robusta and 4,125 kgs of Arabica seed.
2. Allocated 537,615 CWD-r plantlets to 112 beneficiaries (86 males and 26 females) in all Robusta growing regions for multiplication.
3. Distributed 327,555,806 coffee seedlings (95,471,961 in Central; 74,238,628 in Eastern, 16,207,512 in Northern, 35,868,001 in South Western and 105,769,704 in Western Regions)
4. Conducted 38 engagements to build capacity at buyer and processor level (8 in Central, 8 in Eastern; 6 in Northern; 8 in South Western and 8 in Western) benefiting 1,510 stakeholders)
5. Conducted 45 District platform meetings where district coffee shows were held.
6. Conducted 7 Inter-Regional Farmers' Study Tours (1 per region of the 7 existing regions) where farmers experience on Good Agricultural Practice (GAPs) was shared

7. In Northern Uganda, the following were achieved:
  - a. Distributed 10 MT of seed to 142 nursery operators of which 114 were male and 28 were female for seedlings propagation for planting by smallholder farmers
  - b. Distributed 61,500 banana suckers for intercropping with coffee to address climate change effects (15,000 banana suckers to Vinayak Agro farm and 46,500 banana suckers to 123 farmers of which 91 were male and 32 were female in Nwoya, Lira, Omoro, Oyam Amuru and Gulu Districts)
  - c. Established 9 Technology Development Sites (two CWD-R Mother garden and 7 Commercial farms)
  - d. Allocated 23,400 CWD-r plantlets to 5 beneficiary farmers (3 Male and 2 Female)

#### **Coffee Research**

The following were achieved during the year:

- a. Biotechnology laboratory equipped with essential equipment and consumables boosting its operational level from 40 to 80%. During the period under review, the following systems and equipment were installed and/or operationalized: fire alarm, biometric and backup systems, fencing, Bio-safety cabinets, laminar flow-hoods, autoclaves, solar water-pump, generator housing, and automatic screen-house irrigation system. Assorted chemicals and equipment for biotechnology and nursery

- units were also procured.
- b. Novel tissue culture protocols were developed over the last year have improved callus formation and embryo germination from 10 to 80%. Use of TDZ gave highest callus and embryo response for varieties KR4 (85%) and KR5 (77%), while using 1.5mg/L of BAP gave best embryo development for KR9 (95%) and KR10 (80%).
  - c. During the period, 96,764 cuttings were cloned, 33,382 rooted-cuttings weaned and 21,943 rooted-cuttings availed to farmers. Additionally, 7,308 tissue culture (T.C.) plantlets/materials (including new cultures, established cultures and RITAs with germinating embryos) were generated.
  - d. Results of experimentation on spacing showed closer spacing of coffee (3x1m) gave better growth of the coffee than wider recommended (3x3m) spacing, but only with higher fertilizer/manure application.
  - e. Preliminary results of fertilizer trials showed 50g/plant of NPK produces best growth of coffee, with either extreme (0g/plant and 150g/plant) retarding growth.
  - f. Studies on benefits of shade trees in coffee revealed shading significantly reduces incidence and severity of CLR in in dry season.
  - g. Disease studies have also revealed that sexual mating types of the CWD pathogen are more potent (shorter latent period and higher incidence) than their asexual mating counterparts. This information is significant for enhancing efficiency of screening varieties for CWD resistance and management of the disease in the field.
  - h. A NaCORI communication plan was developed and a draft was ready for stakeholder appraisals by close of the year;
  - i. NaCORI staff were also active in technology dissemination through the “Harvest Money” and “Buy-Uganda-Build-Uganda” expos, where 300 participants were exposed to NaCORI technologies
  - j. Eight (8) housing units in two (2) blocks were constructed at Kituza to house staff, and dilapidated screen-houses reconstructed/repared.

### Corporate Governance and Administration

1. UCDA maintained 118 staff (83 males and 35 females) and 11 temporary staff (7 females and 4 males) on the established structure out of an approved structure of 137 members of staff.
2. Uganda participated in the 123rd and 124th Coffee sessions of the International Coffee Council of the ICO where Uganda’s coffee profile was highlighted.
3. Uganda also participated in the 58th AGM of the IACO and the 6th African Coffee Symposium in which access to finance especially by small scale farmers was addressed.:
4. UCDA organized and participated in the following events:
  - a. The annual national Coffee Day celebration held at the Mukono Zonal Agricultural Research and Development Institute on 4 October 2018 where about 500 participants took part in the

- celebrations.
- b. *The first ever Coffee Tourism symposium and exhibition to highlight the opportunities in the sub sector for tourism was held. At least 180 delegates and 20 exhibitors attended the inaugural Coffee and Tourism Symposium and Exposition, including tour operators, coffee farmers, hoteliers and others involved in the hospitality and coffee industry.*
  - c. *The Annual Global Coffee Platform stakeholder meeting at which two consultants presented the costed implementation plan for the Coffee Roadmap.*
  - d. *A Farm Clinic organised by Monitor Publications. The clinic gives farmers and members of the public opportunity to learn from each other. UCDA staff trained farmers and potential farmers on good agricultural practices and advised the public about the benefits of coffee as a business enterprise.*
  - e. *The URA Taxpayers' Appreciation Week where UCDA promoted coffee farming as a business and promoted coffee consumption.*
  - f. *Monthly Corporate League events where brewed coffee is served during 12 monthly events while explaining the benefits of the beverage. Coffee is fast becoming a beverage choice among this group of corporate employees.*
  - g. *Corporate Social Responsibility activity: UCDA represented by the Corporate Communications Manager participated in a government communicators-organised forest restoration programme that involved Government communication officers and the public planting trees in Mabira Forest. UCDA planted 20 trees at the event*
  - h. *Internship: UCDA took on 32 interns from various universities to provide them with opportunities for professional development in the coffee sub-sector, and to empower young people to gain experience and prepare themselves for the labour market.*



Uganda Coffee



# 1

## CHAPTER ONE

### COFFEE SUB SECTOR POLICIES AND UCDA PROGRAMMES

# Uganda National Coffee Strategy 2040 Plan for 2015/16 - 2019/20

June 2015

## 1.0 Introduction

This annual report gives highlights of the achievements UCDA has made during FY 2018/19. It articulates key priority sectors in which UCDA contributes to, its service portfolio in line with the National Coffee Strategy 2015/16-2019/20, our funding model and key highlights of outputs and outcomes. The chapter concludes with the strategic focus of the next FY 2019/20.

### 1.1 Key Priority Interventions

**Agriculture** - Nearly 80% of UCDA's budget is spent in the productivity enhancing area of production and productivity.

**Industry** - A significant proportion of the budget is also spent on quality improvement and value addition mostly at post-harvest levels.

**Human Capital Development** - This refers to increasing the stock of a skilled and healthy labour force to enhance production, regulation and promotion of the coffee industry in Uganda. The staff strength has continued to grow to ensure service delivery especially in the rural areas.

**Infrastructure** - UCDA has 5 regional coffee offices in Bushenyi (South-western), Mbale (Eastern), Gulu (Northern), Mityana (Western) as well as Kampala (Central) to ensure service delivery to farmers, processors and other actors in the countryside. UCDA has 44 sub-regions manned by Regional Coffee Extension Officers.

### 1.2 UCDA's Service Portfolio

Category of Services	Activities
<b>Development Services</b>	<p>Trains farmers in Good Agricultural Practices and Agribusiness</p> <p>In conjunction with National Agricultural Research Organization (NARO) provides clean planting material to coffee nurseries and farmers</p> <p>Certifies coffee nurseries</p> <p>Registers all coffee primary, secondary and tertiary processors and coffee buyers</p>
<b>Quality and Regulatory Services</b>	<p>Issues certificates in respect of grade and quantity of coffee</p> <p>Certifies all coffee exports</p> <p>Registers coffee actors in accordance to the Coffee Regulations 1994</p> <p>Trains technicians, coffee processors, quality controllers and baristas</p>

Category of Services	Activities
<b>Strategy and Business Development Services</b>	<p>Collects, maintains and disseminates statistical data in respect of all aspects of the coffee industry including coffee sales (quantity and price)</p> <p>Monitors world coffee market price changes and adjusts the indicative export price on a day-to-day basis to reflect the changes</p> <p>Disseminates daily, monthly and annual coffee market reports</p> <p>Advises Government on the mechanism of determining the indicative coffee export price for the sale of coffee</p> <p>Reconciles coffee sub-sector policies with macro-economic policies of the Government</p> <p>In conjunction with Uganda Cooperative Alliance, builds capacity of coffee farmer cooperatives</p>
<b>Executive Services</b>	<p>Liases with the International Coffee Organization (ICO) and represents Uganda in the International Coffee Council (ICC). It is also responsible for the administration of stamps of the organization</p> <p>Liases with other international organizations and promotes Uganda coffee on the world market</p> <p>Supervises the coffee sub sector including related industries and advises Government on coffee sub-sector policies</p> <p>Handles corporate communications</p> <p>Handles all procurement and disposal of public assets</p> <p>Addresses internal auditing and risk profiles of the Authority to ensure value for money</p>

Category of Services	Activities
Corporate Services	<p>Maintains a productive labour force to serve different clients</p> <p>Handles all industry players' legal related issues</p> <p>Handles all UCDA Board related issues</p> <p>Maintains the Authority's financial records in accordance with governmental frameworks</p> <p>Monitors UCDA's assets to ensure value for money</p> <p>Provides intranet and internet services as well as other ICT equipment to facilitate business operations in UCDA</p>

### 1.3 National Coffee Strategy 2015/16-2019/20

**Vision:** To have a competitive, equitable, commercialized, profitable and sustainable coffee sub sector

**Mission Statement:** To increase coffee production, productivity, value addition and domestic coffee consumption.

**Pillars:**

1. Production and Productivity
2. Quality Improvement and Value Addition
3. Market Intelligence and Development
4. Institutional Development and Accountability

**Strategic Objectives**

Objective 1: Increase coffee production and productivity at farm level in a sustainable way that addresses the social, ecological and economic dimensions

**Objective 2.1:** Ensure quality at all stages of the coffee value chain

**Objective 2.2:** Promote value addition processes at all stages of the coffee value chain to respond effectively to both national and international market requirements and opportunities

**Objective 3.1:** Improve market access for farmers and farmer organisations

**Objective 3.2:** Rebuild competitiveness and market share in traditional markets while promoting entry and penetration in new and emerging markets

**Objective 3.3:** Promote domestic consumption of coffee as a way of enhancing coffee industry competitiveness and developing the domestic coffee market

**Objective 4.1:** Strengthen the coffee research system so that it is more responsive to industry requirements and demands

**Objective 4.2:** Establish a strong coffee specific extension capacity that meets the prevailing industry requirements

**Objective 4.3:** Support the formation and strengthening of coffee farmers' organisations

**Objective 4.4:** Streamline and strengthen existing coffee laws, regulations and standards at all stages of the coffee value chain

**Objective 4.5:** Develop financing instruments for investing in the coffee value chain

**Objective 4.6:** Strengthen coordination within the coffee subsector

## 1.4 Our Funding Model

UCDA gets its funding from money appropriated by legislature from time to time to perform its functions as per the UCDA Statute 1991 (amended in 1994) from the Consolidated Fund. It liaises with URA to receive cess (1% of the FOB/FOT) price levied on coffee exports. It also receives other money made available for the purposes of performing the Authority's functions as stipulated in the UCDA Statute and as per the Public Finance Management Act 2015 (Amended).

## 1.5 Focus Areas in FY 2018/19

The strategic objectives and priority interventions that the Authority had purposed to implement in the FY 2018/19 that directly contributed to the achievement of the National Coffee Strategy and National Development Plan 2 included:

### a) Production and Productivity

- Support coffee research and development
- Coordinate production and distribution of planting material including quality assurance/certification
- Contain and manage pests and diseases.
- Promote coffee replanting and rehabilitation
- Promote water harvesting and irrigation technologies
- Support to coffee development in Northern Uganda
- Promote sustainable coffee production initiatives
- Provide coffee specific extension services
- Promote practices that cater for the interests of women and youth in coffee production and marketing
- Promote use of agro-inputs and water for production and irrigation technologies

### b) Market Intelligence and Development

- Continue to build capacity to brand Uganda Coffee through profiling (trademarks and Geographic Indications);
- Undertake market studies in Algeria and Russia to position Uganda to access those specific markets;

- Undertake a study to determine costs and margins of Robusta and Arabica coffee management (low input; medium input and high input) in different regions;
- Carry out an online satisfaction survey of UCDA services to obtain feedback from clients in order to enhance service delivery

### c) Quality Improvement and Value Addition

- Enforce coffee regulations to enhance quality along the value chain
- Develop a GIS to map and increase traceability of specialty and fine coffees
- Intensify support to farmers practicing sustainable coffees and track their improvements

### d) Promotion of Domestic Coffee Consumption

- Roll out the implementation of the Domestic Coffee Consumption Communication Strategy (DCCCS 2016/17-2020/21)
- Promote coffee as a final product
- Promote domestic coffee consumption by disseminating health benefits of drinking coffee especially among the youth

### e) Institutional Development and Accountability

- Restructure the organization and build Human Resource capacity to ensure high operational efficiency and enhanced service delivery to attain the Coffee Roadmap targets
- Mainstream Gender and HIV/AIDS into all activities and programmes
- Strengthen the Results Based Monitoring and Evaluation (RBME) methodology which should be gender responsive
- Efficient utilization of the Authority's assets and resources
- Collaborate with other key actors to provide coffee services to clients

## 1.6 Strategic Outlook for FY 2019/20

Production and exports are projected to grow significantly on the basis of newly planted coffee which came into production in FY 2016/17 and

favourable weather with exports projected at 5.17 million bags. UCDA will continue to actualize the ambitious target of producing and exporting 20 million bags per year by 2025 through implementation of the costed plan of the Coffee Roadmap. A new coffee strategy would be developed through alignment of the roadmap with the National Development Plan 3 while taking into consideration the global coffee outlook for the year in terms of the fundamentals (production, exports, stocks and prices).

## 1.7 Conclusion

UCDA has continued to pursue programmes in line with the National Development Plan II and the Agricultural Sector Strategic Plan through the National Coffee Strategy in its fourth year of implementation. The results which hinged on the four thematic areas: Production and Productivity; Quality Improvement and Value addition; Market Intelligence and development; as well as institutional development and accountability show that UCDA is on course.



# 2

## CHAPTER TWO

### STRATEGY & BUSINESS DEVELOPMENT



## STRATEGY & BUSINESS DEVELOPMENT

### 2.0 Introduction

The Directorate of Strategy and Development is responsible for disseminating market information to stakeholders, provide protection and export forecasts, provision of business development services, strategy formulation and monitoring evaluation.

#### 2.1 General Performance

During FY 2018/19, the Directorate of Strategy and Business Development disseminated 249 daily and 12 monthly coffee market reports to stakeholders, registered coffee sales by exporters, production survey in Mt. Elgon; conducted a coffee market survey in the Russian Federation; developed Uganda's country coffee profile and terms of reference for establishing a soluble coffee plant as well as monitoring and evaluation (M & E) of UCDA activities, the UCDA Board and for the coffee sub-sector. The Directorate coordinated stakeholders while developing the Coffee

Roadmap and organized a validation workshop. The social economic study in Busoga Region report was finalized and disseminated as well as a study on Kisansa variety of coffee. The Directorate also carried out an evaluation on of the solar dryers supplied to farmers in the Centre for Robusta Excellence project. Farmer mobilization and training in 16 districts on agribusiness and group dynamics were undertaken. The Directorate also compiled the UCDA Annual Report 2017/18.

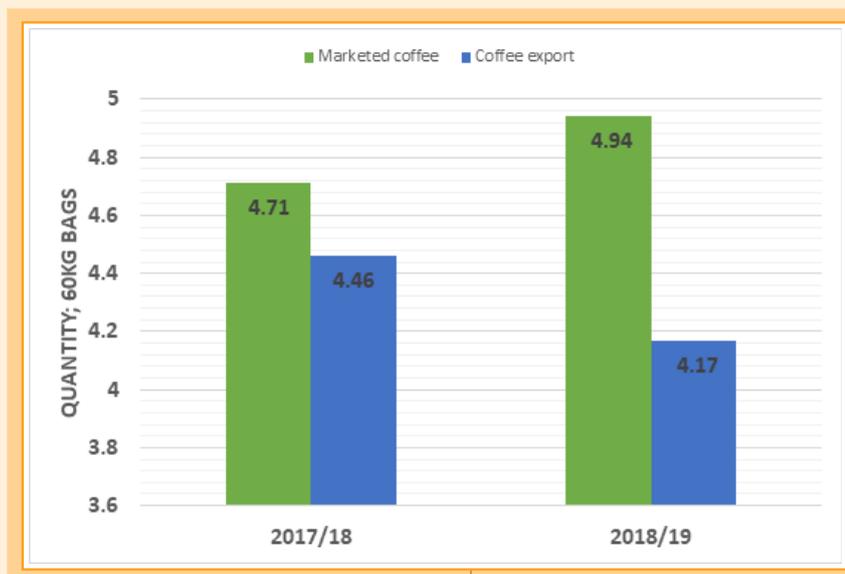
#### General Performance

Generally, Coffee exports in FY 2018/19 were lower than the previous year on account of lower global prices which forced exporters to hoard their coffee with an anticipation that they would improve.

#### 2.2 Coffee Procurement (Marketed Production)

Marketed coffee production for Financial Year 2018/19 was 4.94 million bags (Robusta 3,745,282 bags and Arabica 1,246,753 bags)

Figure 1: Coffee Procurement (Marketed Production ) in 60-kilo bags



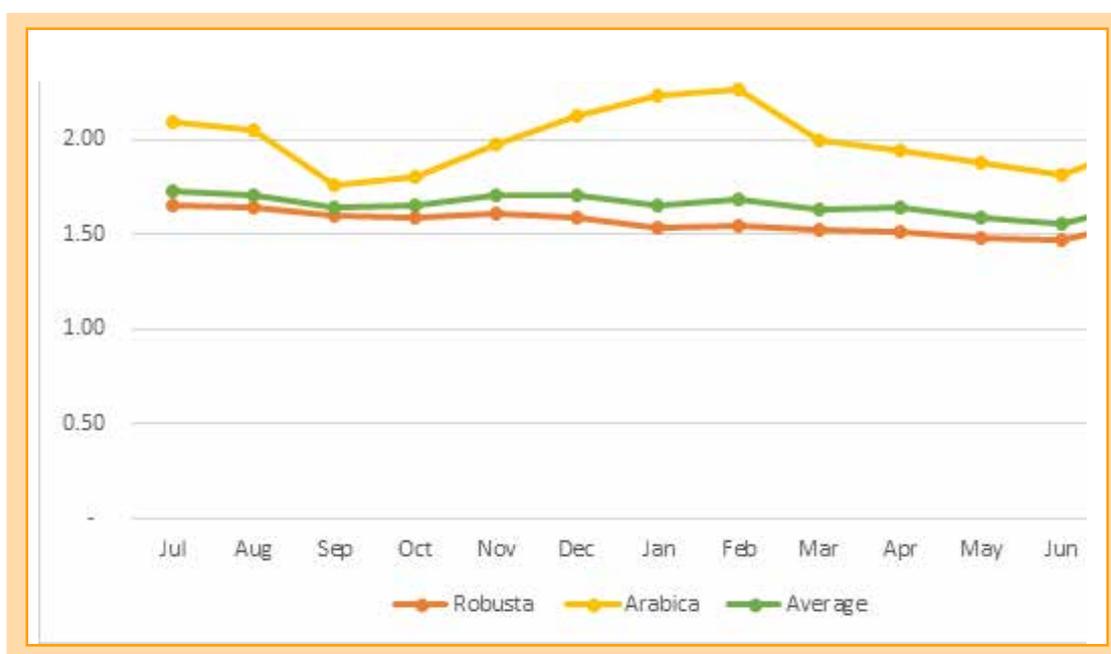
compared to 4.71 million bags of the previous year (2017/18). This was an increase of 4.9%.

### 2.3 Average Unit Export Value

The weighted average unit export value<sup>2</sup> for FY 2018/19 was US\$ 1.66 per kilo, with Robusta at US \$ 1.57, and Arabica US \$ 1.97 per kilo. Figure 2 shows a significant price difference between Robusta and Arabica for unit export values especially in the third

quarter of the financial year than the first. The main reasons for the high price differential in the second half of the year, as also depicted in the ICO Indicators for the various coffees: Colombian Milds, Other Milds, Brazilian Naturals and Robustas, was on account of two factors (i) the quality attributes between Robusta and Arabica and (ii) the demand for Arabica went up due to a slump in Arabica production especially in Brazil which had a positive effect on prices.

Figure 2. Monthly unit value in FY 2018/19 in US\$/kilo



### 1.4 Closing Stocks

The closing stocks as on 30th June 2019 stood at 1,276,068 bags, 29.5% higher than 985,241 the previous FY, 2017/18. This comprised 870,426 bags of Robusta and 405,642 bags of Arabica. The high stocks were on account of lower global prices which forced exporters to hoard on their stocks until prices improve.

<sup>2</sup>Weighted average unit export value is generated from different prices of different grades considering both quantity and value of each grade ( $\frac{\sum P_i Q_i}{\sum Q_i}$  where  $P_i$  is the price of grade  $i$  and  $Q_i$  is quantity of grade  $i$ ).

Table 1 Closing Stock as on June 30, 2019 By Coffee Type in 60-Kilo Bags

STATISTIC	ROBUSTA	ARABICA	TOTAL
Opening Stocks	734,948	250,293	985,241
Marketed Production	3,745,282	1,246,753	4,941,955
Availability	4,480,230	1,497,046	5,977,276
Exports	3,210,204	958,204	4,168,408
Domestic Consumption	399,600	133,200	532,800
Closing Stocks	870,426	405,642	1,276,068

## 2.5 External Market

### 2.5.1. Coffee Export Performance

In FY 2018/19, Uganda exported 4.17 million 60-kilo bags valued at US\$ 415 million. million 60-kilo bags valued at US\$ 415 million. compared with 4.45 million worth bags US \$ 492 million exported in 2017/18. This reflected a decrease of 6.42% and 15.66 % in volume and value respectively.

last four months of the year (March - June 2019). Although export volume increased in the latter period, the export value remained lower than the previous year mainly due to the general slump in global coffee prices.

In general, there has been a positive trend in coffee exports for the last 4 years except the 5<sup>th</sup> one in FY 2018/19 on account of reduced exports and value driven by lower global prices which forced exporters to hoard their coffee (Figure 4).

Figure 3: Trend of Total Quantity and Value of Coffee exported (Jul – June) in FYs 2017/18 & 2018/19

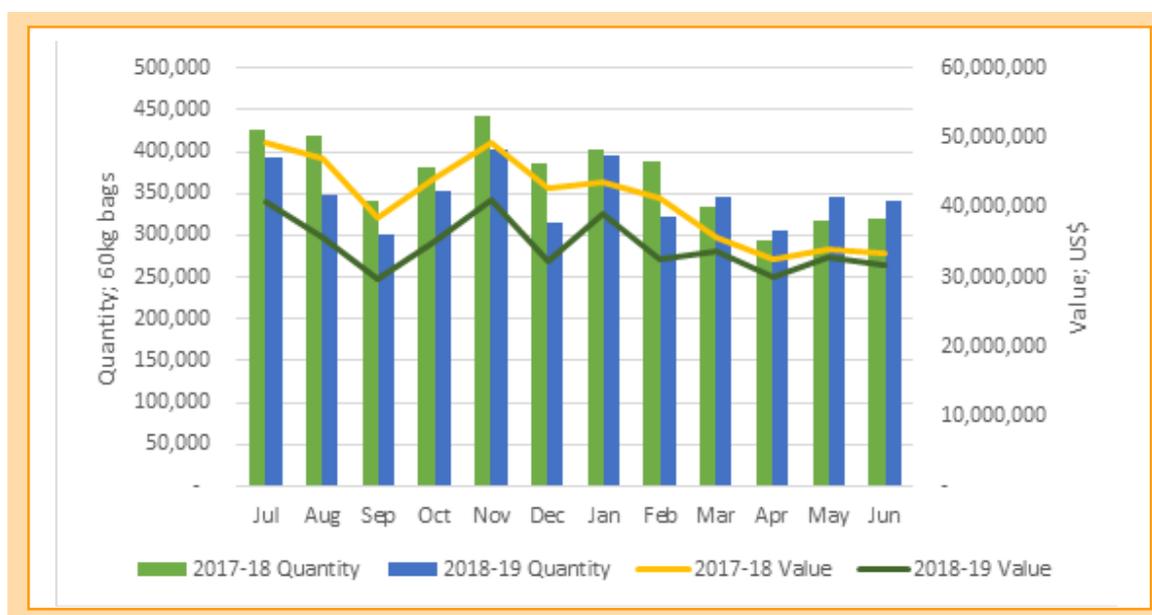
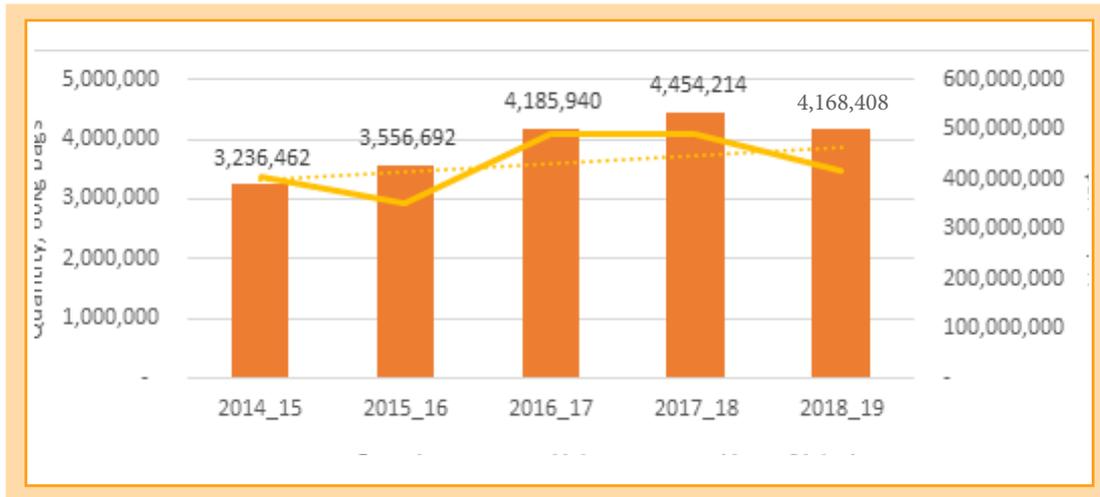


Figure 4: Comparative 5-year Coffee Export Volume Performance by Financial Year

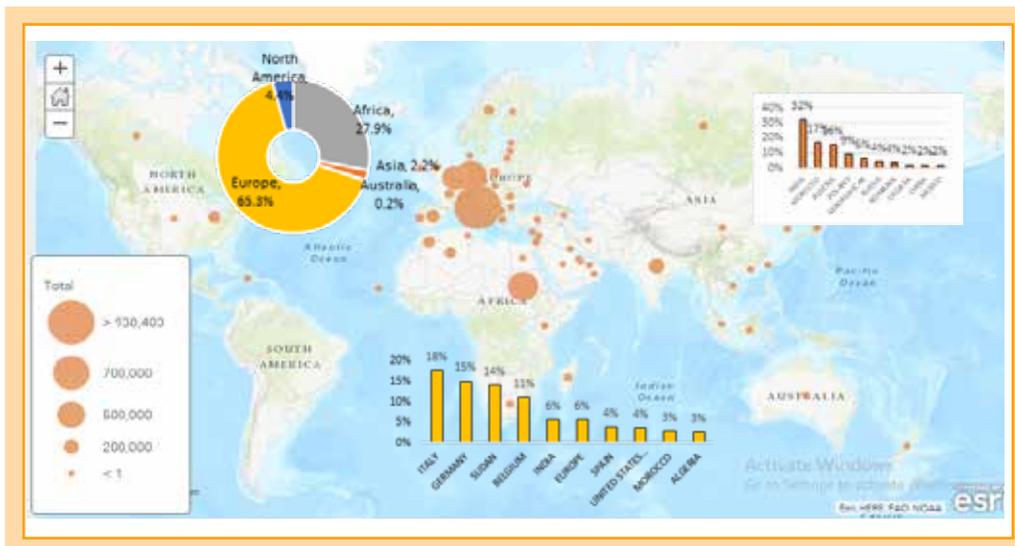


## 2.6 Destination of Uganda Coffee

Figure 5 shows the destination of Ugandan coffee in FY 2018/19. Italy was the biggest importer of Uganda’s coffee with 24.7% it was followed by Germany with 15.2%. Sudan which is also a

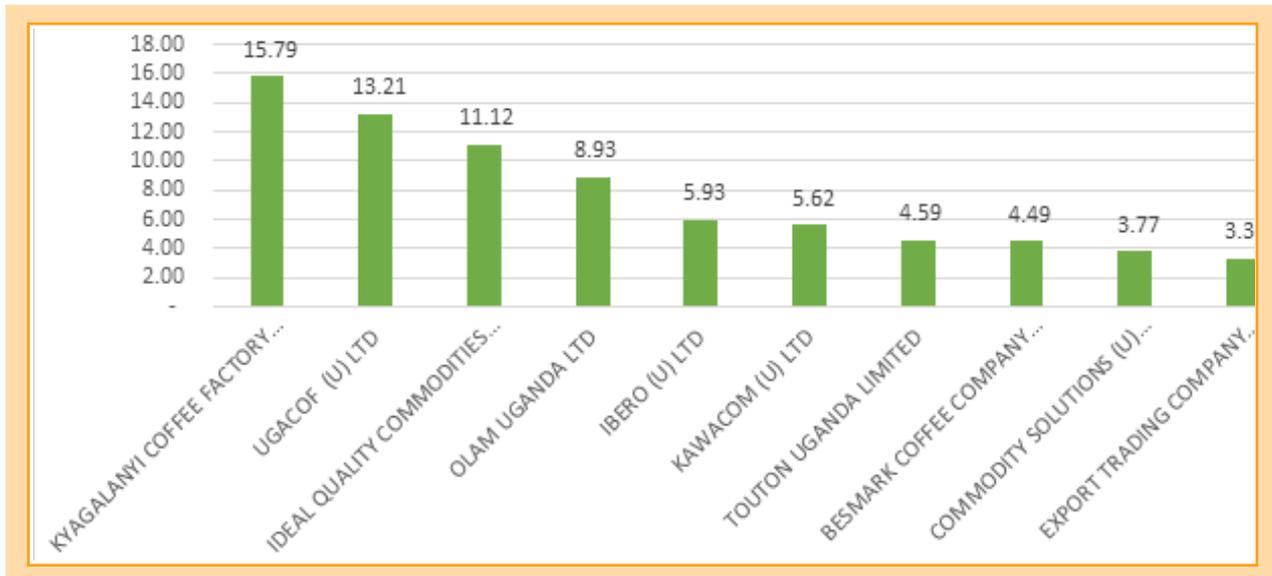
leading African Countries importing Uganda’s Coffee was the third with 10.9%. Among the new destinations of Uganda Coffee include; Ukraine, Taiwan, Russia and Qatar among others.

Figure 5: Destination of Uganda Coffee in FY 2018/19



In FY 2018/19, in terms of market share at exporter level, Kyagalanyi Coffee Ltd. had the highest market share of 16% followed by Ugacof Uganda Ltd at 13%. The first 10 companies had a market share of about 77% (Figure 6).

Figure 6: Market share of Exporting Companies in Percentages



## 2.7 Internal Marketing

### 2.7.1 Registration of Coffee Value Chain Actors

The coffee industry players in the coffee sector have progressively increased with exporters increasing first higher than other (Table 2). Currently 88 exporters are registered, 36 grading companies, 578 primary processing plants and 23 coffee roasters.

Table 2: Number of industry players

Industry Players	2014/15	2015/16	2016/17	2017/18	2018/19
Exporters	58	54	73	92	88
Export Grading plants	36	21	48	24	36
Primary Processing Plants	441	476	549	548 <sup>2</sup>	578
Roasters	13	14	12	17	23

2 Including 11 wet mills

## 2.7.2 Monthly average farm gate prices

Figure 7: Trend of farm gate prices for Robusta and Arabica

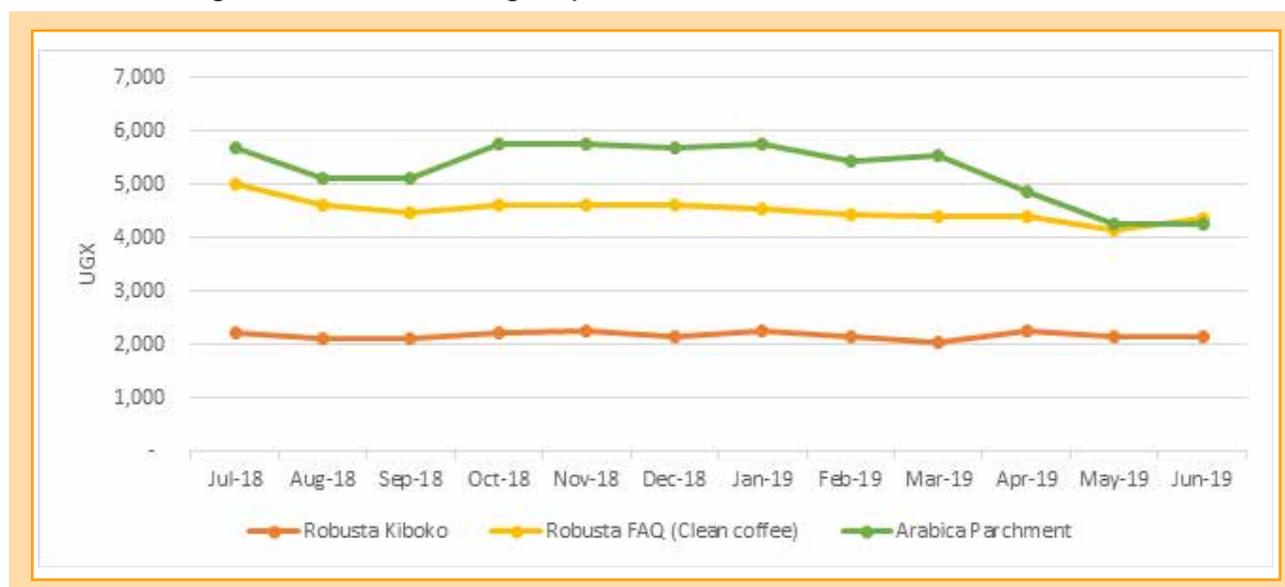


Figure 7 shows a trend of average farm gate prices for both Robusta and Arabica coffee. Robusta Kiboko prices oscillated in a narrow range from UGX 2,000 to 2,200 per kilo during FY 2018/19. Arabica parchment prices also ranged from UGX 4,100 to 5,950 per kilo and generally showed a negative trend in the soncod half of the year.

## 2.8 Domestic Coffee Consumption

Domestic coffee consumption increased from 244,800 60-kilo bags in Financial Year 2017/18 to 532,800 bags in Financial Year 2018/19 as per the Domestic Coffee Consumption Survey Report (December 2018).

## 2.9 Domestic Outlook

Production and exports are projected to grow significantly on the basis of newly planted coffee which came into production in FY 2016/17 and favourable weather with exports projected at 5.17 million bags. UCDA will continue to actualize the ambitious target of producing and exporting 20 million bags per year by 2025 through

implementation of the costed plan of the Coffee Roadmap. Coffee consumption is also envisaged to grow by 6% due to promotions, trainings etc.

UCDA intends to actualize the recommendations of the Domestic Coffee Consumption Survey carried out in December 2018 by engaging various actors that drive this consumption.

## 2.10 Global Outlook

World Coffee production for Coffee Year 2019/20 is forecast to reduce slightly from Coffee Year 2018/19 by 0.9% to between 168.711 and 169.3 million 60 kilo bags on account of an off-year Brazilian Arabica crop in Coffee Year 2019/20 with subsequent drop in coffee production from Latin America estimated at 4.7%. The drop would have been higher if it were not the anticipated 3.7% growth in global Robusta production driven by production in Asia and Oceania estimated at a growth rate 5.4%. Brazilian's Conillon (Robusta) is estimated to be 3.3 million bags higher at 15.7 million bags. Central America and Mexico's forecast is at 21.54 million bags with an annual growth of 0.9%.

Coffee prices are envisaged to be lower due to the carry-over stocks from a large crop harvest from Brazilian's 2018/19 estimated at 63 million bags which will somewhat be offset by lower Arabica production due to an off-year in 2019/20.

Outputs in Colombia, Vietnam, Honduras and other Central American region are likely to be higher. Indonesia is likely to face reduction in output due to weather related factors.

Global coffee exports in Coffee Year 2019/20 will also be affected by reduction in production from Brazil and Honduras.

Global coffee consumption in coffee year 2019/20 is forecasted to reach 169.34 million bags (ICO) which is estimated to grow by 0.7% compared to Coffee Year 2018/19. This growth, though slower than the 10-year average, is still driven by Asia and Oceania at 2.9% followed by Africa and Mexico and Central America at 1.8% and 1.4% respectively. The slower growth in consumption may impact negatively on the global prices.

Opening stocks for Coffee Year 2019/20 in producing countries are estimated at about 35.4 million bags with about 2.2 million bags from Brazil as per the USDA Global Coffee Outlook 2019/20.

### **Coffee Liberica (Kisansa) Study**

*A study involving focus group discussions and structured interviews was conducted by a team from coffee research and the Uganda Coffee Development Authority in Uganda in the emerging major Coffea Liberica growing districts of Butambala, Kamuli, Kyotera and Luweero in Central Uganda and Arua, Moyo and Koboko in the West Nile region of Uganda. The study identified the species to have a great potential in diversifying the fortunes of the coffee sector in Uganda amidst climate change constraints, pest and disease challenges, decreasing soil fertility, low farmer productivity, as well as being a good source of genetic diversity for improved coffee variety selection.*

#### **Recommendations**

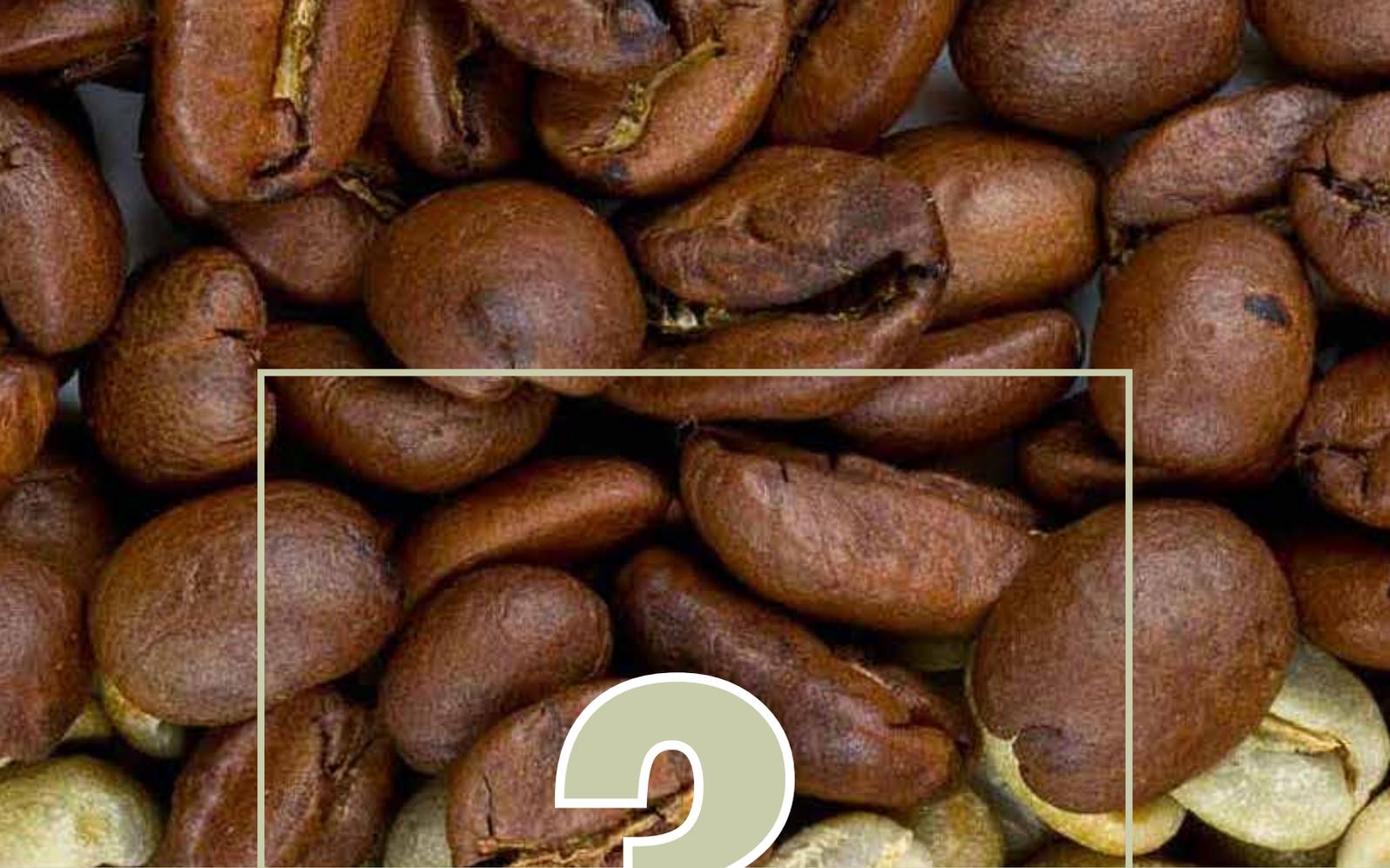
*The following recommendations were advanced:*

- UCDA should diversify the coffee market to accommodate all the available species including Kisansa.

- Explore and develop the Kisansa coffee value chain from farm to cup;
- Develop manuals on the proper post-harvest handling of Kisansa coffee so to maximize its quality potential.
- Assess the level of spread of Liberica coffee (Kisansa) in the whole of Uganda, and further studies to explore the socio economic aspects influencing its adoption, production, processing, trade and exports.
- Carry out studies to characterize Liberica coffees in the country both phenotypically and genotypically to determine traits for improvement and genetic enhancement of other coffee species.
- Carry out further studies to determine the dangers of increased adoption Liberica (Kisansa) coffee (if any) in the country and its potential for diversifying coffee production in Uganda.
- Determine the physical, cup quality and chemical characteristics of Liberica coffee for establishment of minimum quality standards and regulations for handling the Liberica coffee in the country.
- Determine the marketing dynamics of Kisansa Coffee (Propagators, Traders and Exporters)
- Carry out studies on vegetative propagation methods to influence Liberica coffee seed systems and growth cycle.
- Engage a multitude of other major stakeholders in the sector in developing the way forwards for increasing production and marketing of Coffee Liberica in the country.
- Develop plans for trainings and sensitization of the farmers and major coffee stakeholders about the species and its beneficial attributes.
- Streamline the Kisansa production and value chains to prevent mixtures in coffee exports and to maximize its potential as a specialty coffee.
- Establish quality standards to enable its regulation in Uganda
- Create awareness of coffee sub-sector actors on the attributes and potential of the species to tap into the export markets for local producers.
- Carry out a research study involving molecular data and morphological assessment using traditional and landmark-based morphometrics in to identify and differentiate Liberica Coffee species in Uganda.

## **2.11 Conclusion**

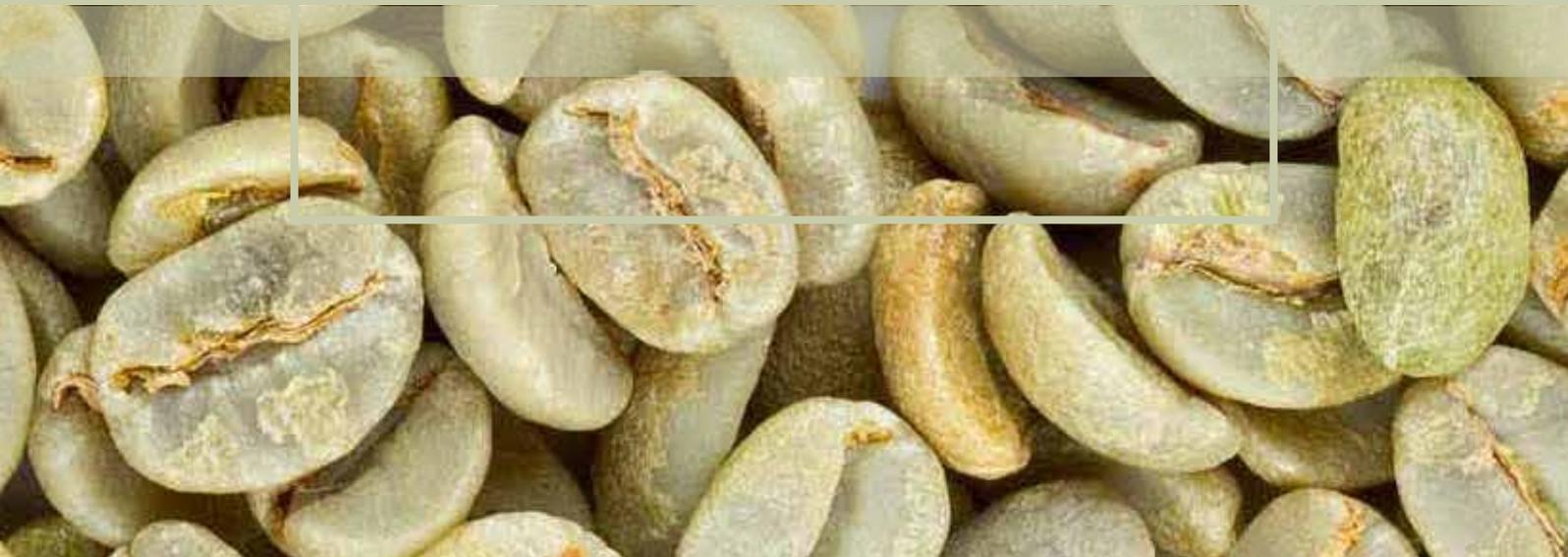
In conclusion, Uganda continued to export coffee to various destinations in FY 2018/19. A total of 4.17 million 60-kilo bags valued at US\$ 415 million compared with 4.45 million worth bags US \$ 492 million exported in FY 2017/18. This reflected a decrease of 6.4% and 15.7% in volume and value respectively. A domestic coffee consumption survey revealed that domestic coffee consumption had increased to 532,800 bags. There was also an increase in registration of domestic coffee roasters from 17 to 23. Farm gate prices offered to farmers continued to be in a narrow range on account of increased competition from exporters for the available stock.



# 3

## CHAPTER THREE

### VALUE ADDITION AND QUALITY IMPROVEMENT



## VALUE ADDITION AND QUALITY IMPROVEMENT

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### 3.0 Introduction

The Directorate of Quality and Regulatory Services is responsible for regulation of the coffee sector through quality assurance as well as promotion of Uganda Coffee nationally and internationally. It is also obligated to train industry players in post-harvest handling practices.

During the FY 2018/19, a number of activities were carried out in line with the National Coffee Strategy as shown below:

#### 3.1 Quality Assurance

UCDA certified 4,168,408 bags of 60kgs coffee for export. The exports were 6.4% lower than the previous FY 2017/18. Nonetheless, the implementation of the Uganda Electronic Single Window (UESW) has improved the export clearing system with minimized delays.

UCDA Lab is operational under ISO 17025 and all exports are tested using the standard. This continues to create confidence among foreign buyers.

UCDA fully addressed the requirements set by Sudanese Standards and Metrology Organization (SSMO) and Uganda National Bureau of Standards (UNBS) has formally submitted the results to the SSMO awaiting signing of the treaty. However, Sudan exports fell by 18.2% from FY 2017/18 (295,256 bags) compared to FY 2018/19 (241,504 bags) due to the political instability in the country.

Six hundred (600) coffee samples were collected from the field and evaluated to ascertain the quality of coffee. Compared to same period (FY 2017/18), the coffee improved in the bean size in both Robusta and Arabica coffee. Bean size in both Robusta 88.5% (66.7%) and Arabica 86.7% (63.8%) has improved. However, the coffee had higher MC Robusta 13% and Arabica 13.5% (R-12.0% & A-11.7% last FY 2017/18). The improved bean size is attributed to improved application of good practices. However, the moisture content and defects were higher due to rainy weather at harvest time and harvesting of immature coffee by a few farmers. Intensifying sensitization on benefits of selling quality coffee will mitigate the bad practices and traders/buyers paying more for quality would motivate farmers to take proper care for the crop.

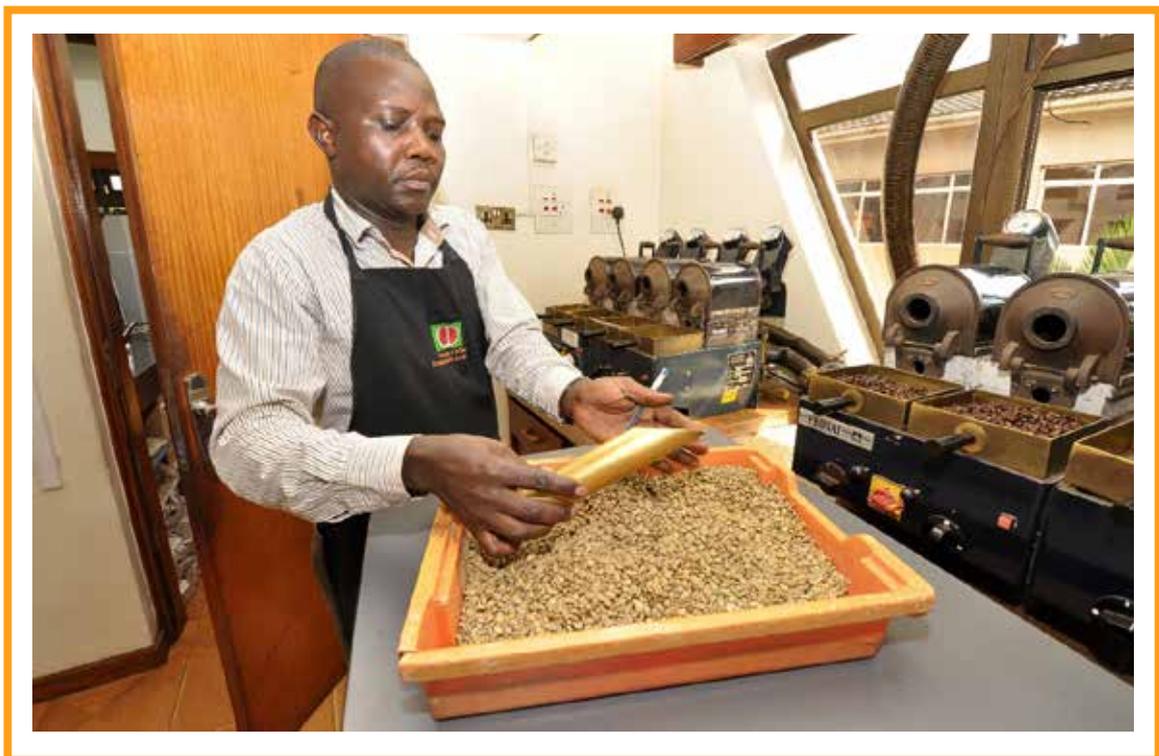
### 3.2 Promotion and Training

UCDA continued to train and sensitize industry players as mentioned below:

- a) Facilitated 68 lead farmers and trained 291 lead farmers in Kabwohe, Kabarole, Ibanda, Arua, Kamuli, Luuka, Iganga Mayuge, Bugiri and Kamwenge Districts on the benefits of selling better quality coffee. The farmers adopting best farm and post-farm practices increased and as a result, production of sustainable coffee among the microcenters has increased. However, they reported a challenge of buyers paying less. In addition, 126 sector players were sensitized on best practices and coffee regulations. These included Extension officers, Agro Police and those from Local governments.
- b) Conducted 6 specific taskforces at tertiary level among roasters and retailers in the districts of Mbale, Tororo, Kampala, Wakiso and Mukono. There was increased conformity to coffee standards and phyto-sanitary parameters, and increased investment and adoption of use of appropriate technologies.
- c) Using the EAS (East African Standard) 105:1999 87 brands inclusive of 15 samples of coffee finished product new brands on the market were evaluated through a sensory analysis. Remedial action was done to those brands which did not pass the standard.
- d) Trained 162 roasters (44 Females) in 6 sessions in roasting profiles in 3 regions (Western, Central and Eastern - Fort portal, Masaka, Bukomansimbi, Iganga and Jinja)
- e) Conducted 11 taskforces across the value chain in Western, South Western, Central and Eastern to enforce coffee regulations and quality improvement campaigns. Inspected 187 primary processing factories, coffee buying stores and 5 grading factories. Remedial action was undertaken on those which had not conformed to coffee regulations.
- f) Conducted an internal self-audit of the UCDA Lugogo laboratory and an external supervision by UNBS. Three technical non-conformance areas i.e. on training procedures, calibration of laboratory equipment, and laboratory record keeping were flagged and closed. Annual test results for sanitary and safety parameters, and the amended Quality safety for certification of Sudan exports were submitted to UNBS. UCDA Laboratory is fully operational under ISO 17025 and all exports are subjected to the standard. Confidence and consumer satisfaction in the lab results has improved.
- g) Conducted 6 stakeholders' consultations on new Uganda Green Bean Standard, application of standards Sanitary and safety with participants composed of exporters, academicians, traders and sector service providers in districts of Lwengo, Bushenyi, Rubirizi, Kasese, Masaka and Mityana. Improved awareness on safety, phyto-sanitary requirements and green bean standards reflected by increasing number of factories with improved structures.
- h) Held 3 technical committee meetings that developed the final Uganda Green Coffee (UGC) standard which was being gazetted at the close of the financial year. The Uganda green coffee standard was published in the Uganda Gazette.

- Compared to other green coffee standards; this has Robusta specifications
- i) Conducted 2 Basic Quality Control (BQC) training sessions and 4 field visits in Arabica (Mbale) and Robusta (Bushenyi) growing areas with 45 participants. This enhanced the capacity to manage and control quality at export level grading factories. For University Students, the knowledge and skills acquired are applied in their studies and later during employment.
  - j) Trained 303 field Quality Controllers (QCs) for processors and traders across 4 regions in the districts of Kasese, Rubirizi, Manafwa, Mbale, Iganga, Kamuli and Luweero to take care of the quality of the FAQ. This has led to improved quality of FAQ from those areas.
  - k) Conducted a Pre-Q and R Graders' course with 15 QCs (8 Female). Certified 2 QCs as Q Robusta graders 13 QCs as Star Cuppers. They are playing a major role in differentiation of fine and specialty coffee.
  - l) Trained 4 staff at Directorate of Government Analytical Laboratory (DGAL) on food safety standards and analytical procedures. The staff shares the knowledge with staff and sector during training sessions.
  - m) Conducted 4 internship and apprenticeship workshops for 51 Lead and demonstration farmers in Luweero,

**Figure 8: Preparation of roasted coffee in the UCDA Laboratory for sensory analysis**



Nakaseke, Kayunga, Mityana, Mubende, Kamuli, Luuka, Iganga, Mayuge and Bugiri Districts; 1 workshop for RCEOs (Mityana, Sironko, Iganga, Luweero districts) and RCTO (Eastern). The workshop hinged on lead farmer model concept and its related activities and a demonstration of the lead farmer extension model in Robusta growing areas.

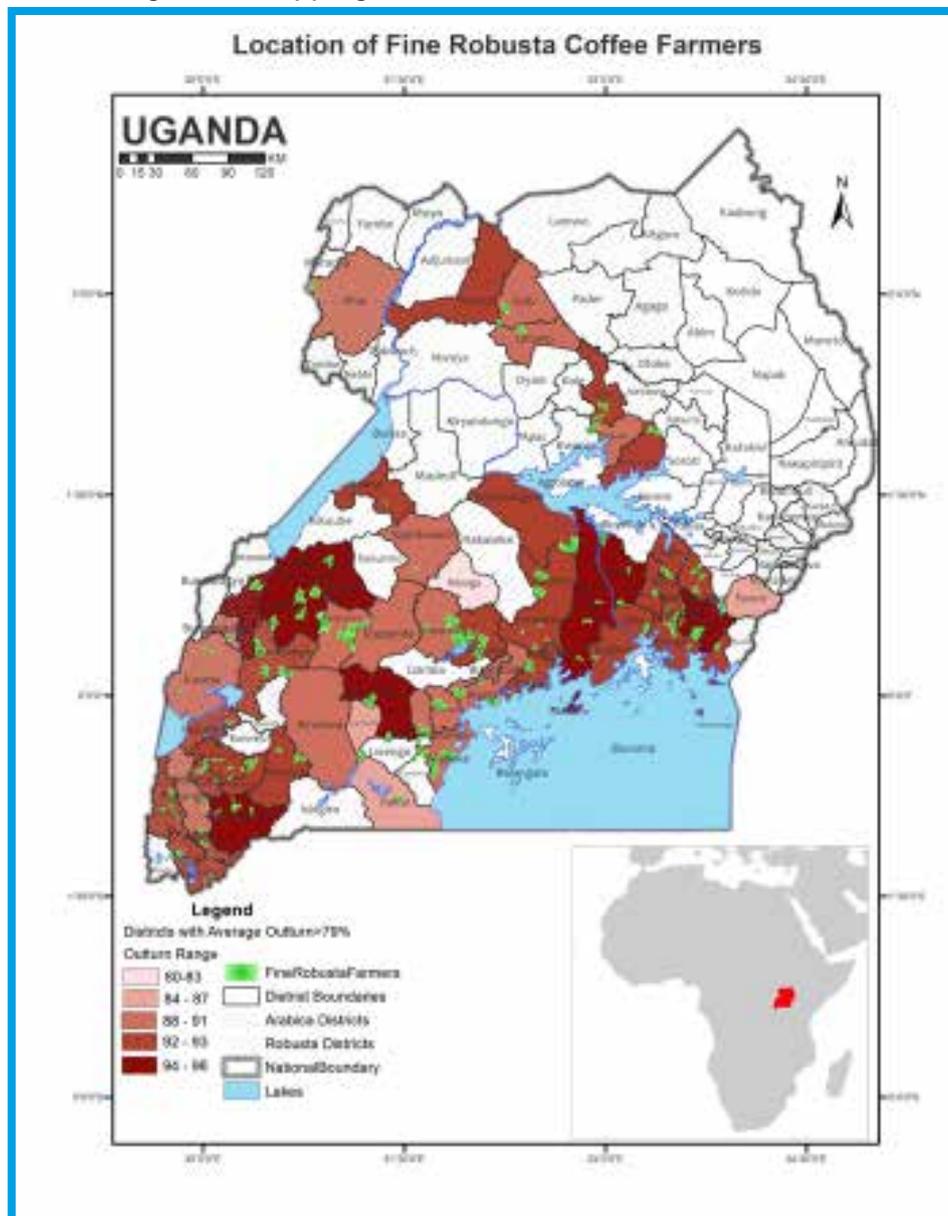
### 3.3 Coffee Sustainability

The major focus was to develop coffee profiles as a way of branding Uganda Coffee. Training of farmers in sustainable coffee production was undertaken.

- o) Trained 227 farmers from 15 farmer groups in sustainable coffee production systems, value addition, certification, conformity and market access in 3 regions

Figure 9: Mapping of Robusta Lead Coffee Farmers

n)



in the districts Bulambuli, Kapchorwa, Sironko, Zombo, Nebbi, Sheema, Kasese, Kabarole, Iganga and Bushenyi

- p) Sensitized 310 (62 Female, 207 Male & 41 Youth sector players from 18 farmer groups were on Fine Robusta production in the districts of Ibanda Kanungu, Rukungiri, Kabarole, Kalungu, Mpigi, Masaka and Rakai.
- q) Conducted origin trip with 8 buyers/roasters. Cupped specialty coffees and visited coffee growing regions in eastern, farmers and processors. Market linkages created and farmer/buyer relationship improved. These were Brandon Riggs and Daniel Riggs (Rising star Coffee-Cleveland, Ohio), Jose Gabriel (La Vereda Café), Maria Isabel (FLO Colombia) and Brad Kirby (Dilworth Coffee, Raleigh)
- r) Conducted mapping out exercise of 79 lead farmers in 28 microcenters using ArcGIS traceability tool to guide the trade of coffee by origin and ensure traceability. These were from Eastern 21(19 Male 3 Female), Western and south western 25 (20 Male, and 5 Female) and 33 from central (10 Female 23 Male) including 6 youth.
- s) Conducted 2 benchmarking study trips for microcenter farmer groups in central region from Bunjakko to Kaweri and Mityana to Kibinge); Farmers exposed were to best practices on farm and management farmers exchanged experiences.
- t) In collaboration with Africa Fine Coffees Association (AFCA, UCDA) hosted the National Taste of Harvest (NTOH) competition between 21-25<sup>th</sup> January 2019. 24 samples were evaluated for

cup quality and 10 winning coffees were promoted at the Africa Taste of Harvest in Kigali. Supported coffee cupping competition for farmers from 23 washing stations in Kasese. Results are indicated below:

- u) The best coffees were selected for promotion at the Africa Taste of Harvest in Kigali (February 2019).
- v) Collected 608 profiling samples (Coffee and Soil) with respective GPS information for sensory and physical analysis. The results were used to update the national data base.

#### Washed Arabica scores:

- Kawacom Fully Washed Sipi -86.1%
- Olive Kishero Mt.Elgon – 85.9%
- Elgon Women Association – 85.2%
- Kawacom Super sort – 85%
- Mt. Harvest Buginyanya – 84.25%

#### Natural Arabica scores:

- Kawacom Honey coffee Kabeywa – 86.4%
- Kawacom Specialty Kaporon 85.3%
- Kyagalanyi Pulped Natural(Honey) 84.9%
- Kawacom Honey coffee Gamutai 84.9%
- Great Lakes Coffee (Natural) A+ 84.8%

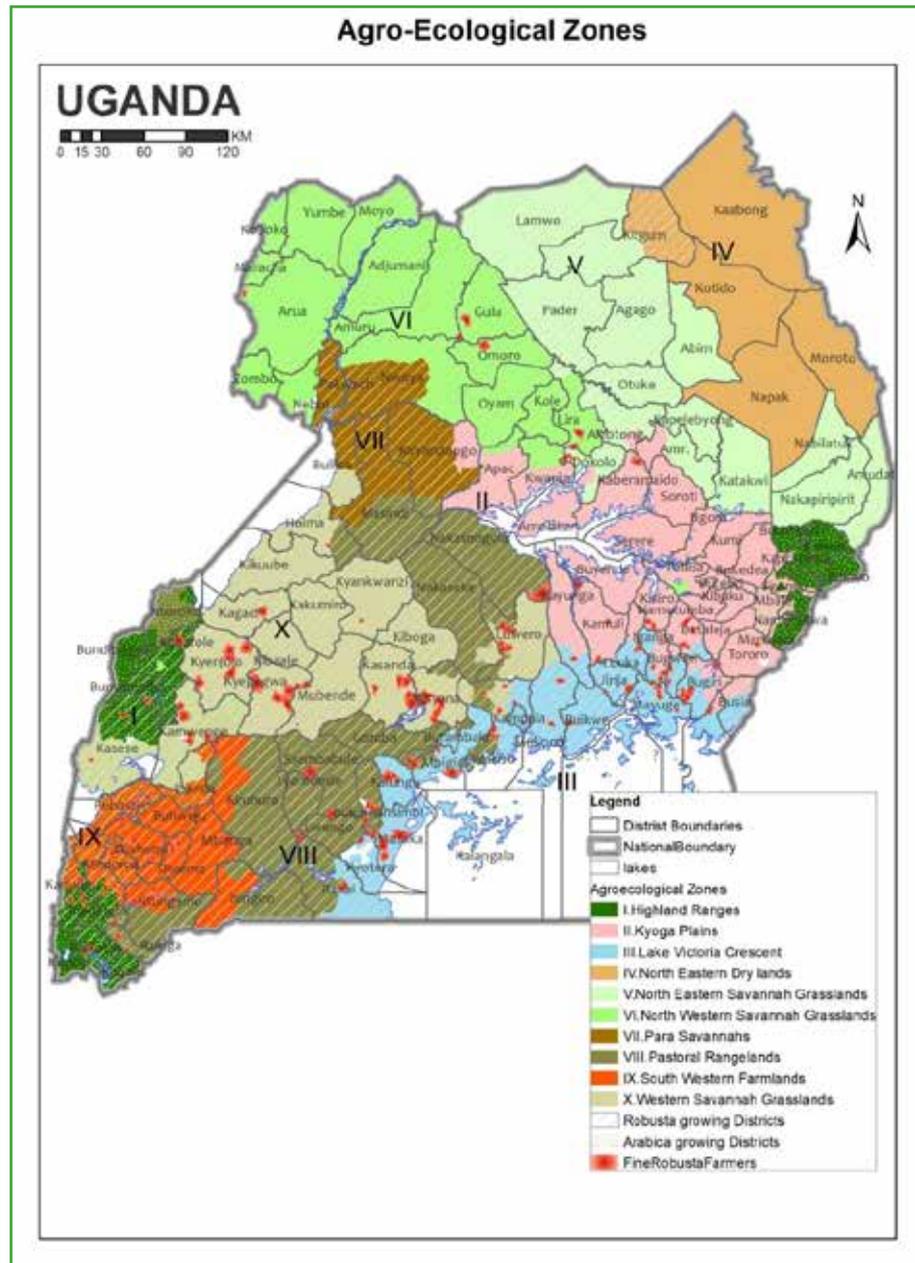
### Coffee Profiling

In order to brand Uganda Coffee, a number of samples were collected from various agro-ecological zones as shown in table 3 and figure 10

**Table 3: Preliminary findings for profiling samples**

Agro ecological zone	Region	Type	Number of samples
Highland ranges (HR)	Elgon , Rwenzori, Kisoro	Arabica	90
North western savannah grasslands (NWSGL)	North Western	Robusta	30
North western savannah grasslands (NWSGL)	North Western	Arabica	78
North Eastern Savannah grasslands (NESGL)	Mid North	Robusta	10
Western savannah grasslands (WSGL)	Central, Western	Robusta	69
Western savannah grasslands(WSGL)	Rwenzori	Arabica	42
Kyoga plains	Busoga region	Robusta	58
Lake Victoria Crescent (LVC)	Greater Masaka, Central , Busoga region	Robusta	77
Pastoral range lands (PRL)	Greater Masaka	Robusta	58
Pastoral range lands (PRL)	Ntoroko	Arabica	14
South western farmlands (SWFL)	South Western	Robusta	52
South western farmlands (SWFL)	South Western	Arabica	50

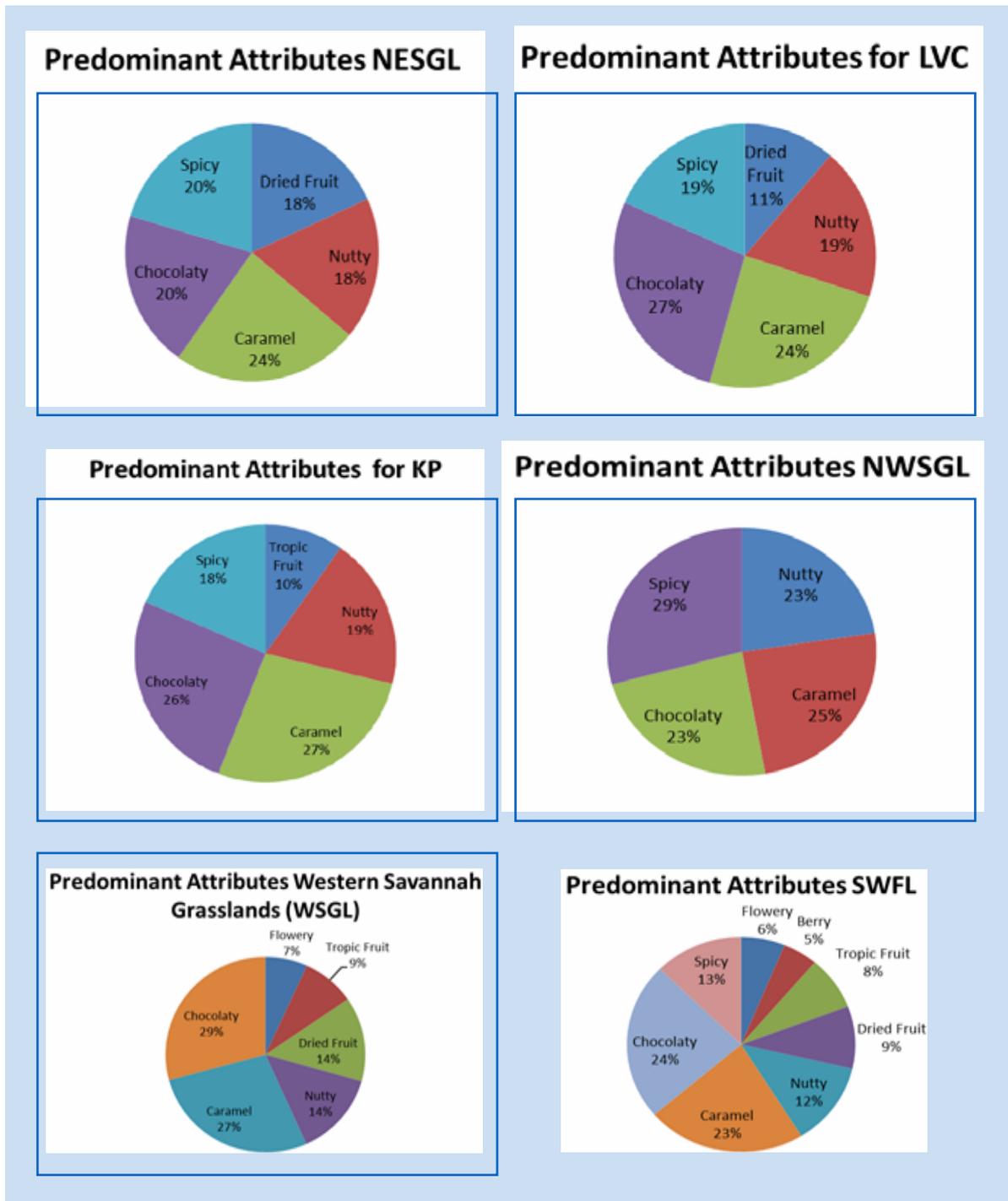
Figure 10: Uganda's Agro-Ecological zones



**Descriptive Cup attributes for Robusta coffee from the different agro ecological zones.** Robusta coffee samples obtained from the study areas exhibited different attributes both in complexity and intensity as shown in figure 11 below. The most predominant attributes were spicy, dried fruit, chocolaty, nutty and caramel in no particular

order. In terms of intensity the caramel notes were found to be highest followed by chocolaty and spicy notes. Coffee samples from NWSGL had the highest percentage of spicy notes while those from WSGGL were not spicy at all. Flowery and berry notes were only found in coffees from SWFL in relative intensities and those coffees were the most complex.

Figure 11: Descriptive Attributes of Robusta Coffee



### Descriptive cup attributes for Arabica coffee from the different agro ecological zones.

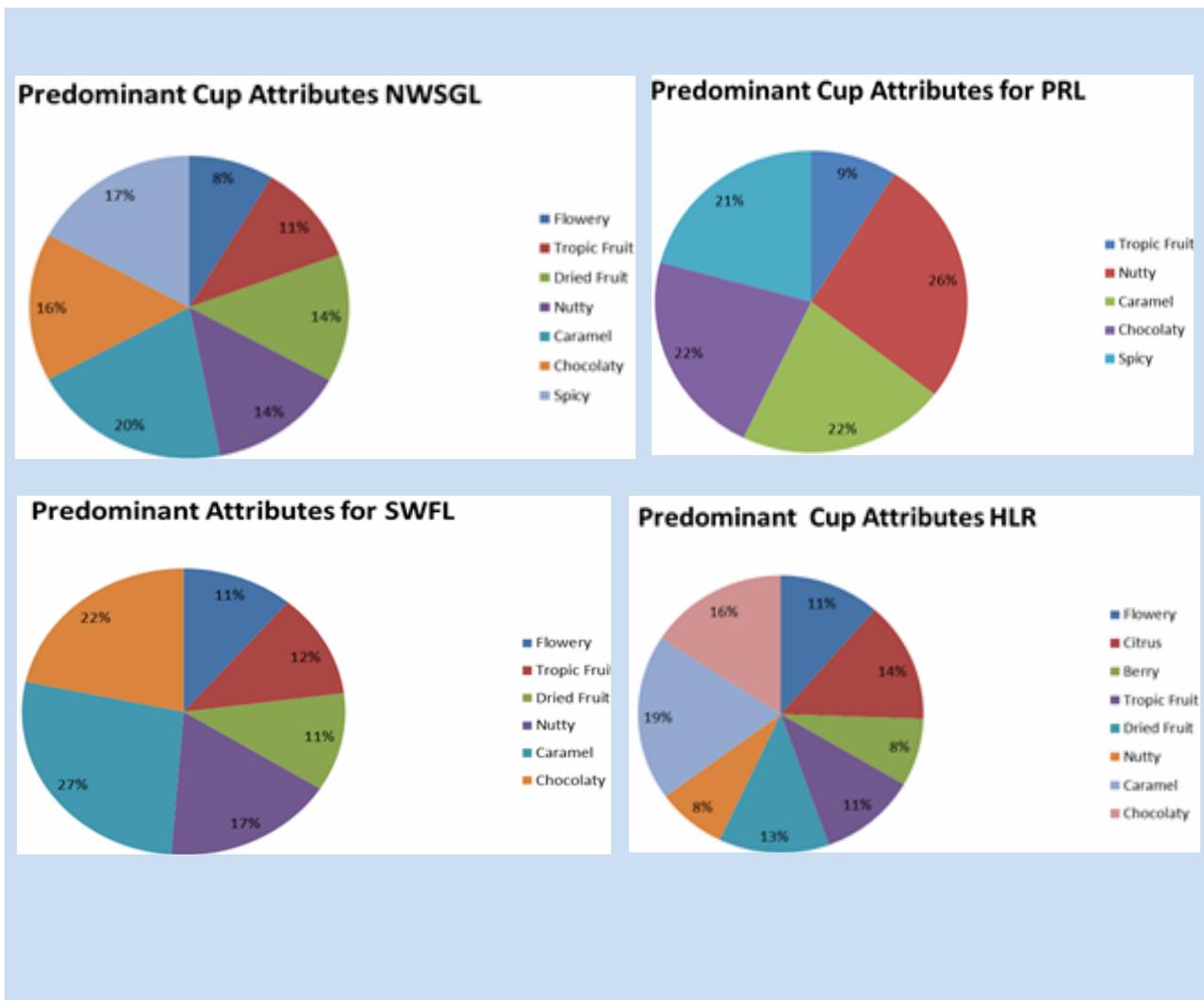
Arabica coffee samples obtained from the different agro ecological zones showed relatively similar attributes /notes with some being more complex than others as shown in figure 11 below. Coffee samples from the highland ranges (HR) had the most complex notes ranging from

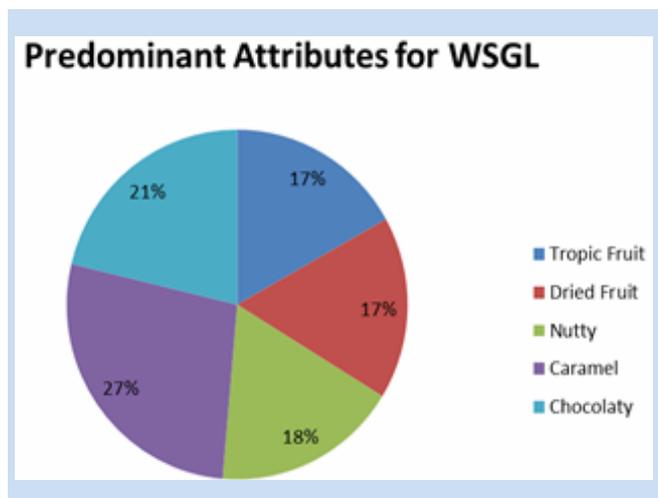
### Descriptive cup attributes for Arabica coffee from the different agro ecological zones.

Arabica coffee samples obtained from the

the least complexity and were dominated by sugar browning. Sugar browning notes (chocolaty, caramel, nutty etc.) were the most predominant in all the agro ecological zones notes but at different intensities. Caramel notes different attributes both in complexity and intensity as shown in figure below. Enzymatic notes (flowery, berries, citrus) were mostly found in samples obtained from HLR, SWFL, and NWSGL. Spicy notes were only exhibited from samples obtained from PRL and NWSGL and is this is consistent with the Robusta samples obtained from same zones.

Figure 12: Descriptive Cup Attributes for Arabica Coffee in different Agro-ecological Zones





different agro ecological zones showed relatively

### 3.4 Domestic Coffee Consumption and Value Addition

For domestic coffee consumption, the following were achieved during the year:

- Conducted 4 value addition workshops in 2 regions for 94 participants (29 Female). Participants were equipped with knowledge to add value to increase earnings.
- Promoted domestic coffee consumption at 38 local trade fairs and events and during 8 coffee production campaign shows in the districts of Kalungu, Masaka (Kyanamukaaka), Rakai, Mpigi, Kibaale Bushenyi, Mitooma and Mubende. Awareness increased reflected by the increased requests of UCDA services from the public.
- Trained 29 Baristas (4 Female) in preparation for the national competition

and held the 12th Uganda National Barista Championship (UNBC) with 15 Baristas that qualified for semi-finals. UNBC winner Mr. Michael Wokorach represented Uganda at the Africa Barista Championship in Kigali, Rwanda where he merged 3rd after South Africa and Kenya.

- Conducted 6 domestic coffee promotion shows under the theme “coffee on the road” in 6 districts i.e. Kumi, Soroti, Mbarara, Isingiro, Arua and Lira
- Supported 4 universities i.e. Gulu University, Mbarara University of Science and Technology (MUST), Muni University-Arua and Mountains of the Moon University-Fort Portal and 5 secondary schools of Gulu High school, Lira College, Kololo S.S, St. Balikuddembe S.S and St. Gertrude Girls School, Kisoro to host coffee awareness days.
- Held the 7<sup>th</sup> Inter University Barista Championship (IUBC) with 9 youth (3 female). Twenty-four (24) youth were trained in Barista skills from 6 universities i.e. Makerere University Business School (MUBS), Uganda Christian University (UCU), Makerere University (MUK), Kampala International University (KIU) and Kyambogo University (KYU) (17 males, 7

females).



**Figure 13: Inter University Barista Championship**

- g) Trained 147 baristas (32 Females) and brewers in brewing techniques and basic machinery operations from across 3 regions (Western, Central, Eastern (Fort Portal, Masaka, Bukomansimbi, Iganga and Jinja)
- h) There was National Cup Tasters' Competition (NCTC) with 8 semi-finalists who were youth and 4 in finals. The increased awareness on attributes of coffee and health benefits. Champion- Raphael Wafoyo, UCDA Quality Assurance Officer.
- i) Promoted Uganda coffee at 3 international trade fairs and exhibitions i.e. SCAA – Boston, AFCA – Kigali and SCAE – Berlin. Conducted 9 cupping sessions of fine and specialty coffee with over 98 buyers, traders,

roasters and consumers from Europe, Asia and the Americas. Uganda Fine Robusta continues being commended by most roasters. Specialty/ sustainable coffees including washed Robusta amounted to 70,339 bags valued at US\$ 25.4 million representing a 4% of the total market share. They fetched an average price of US\$ 2.48 per kilo.

#### **Domestic Coffee Consumption Survey 2018**

*A domestic coffee consumption survey in Uganda was commissioned by Uganda Coffee Development Authority in 2018. The purpose of the study was to ascertain the supply capacity of coffee roasters and the current consumption level. More specifically, the study sought to (1) Determine the current coffee consumption level of Uganda in the different regions, (2) Identify factors leading to regional differences in coffee consumption, (3) Assess the*

extent to which recommendations advanced in 2004 were addressed, (4) Assess the extent to which supply constraints faced by local roasters in 2004 were addressed; (5) Determine the annual quantity of finished coffee imports from 2011-2017 and compare them with local brands, (6) Develop output, outcome and impact indicators to assess performance of different actors promoting and directly engaged in roasting, procuring and serving coffee; and (7) Lay a foundation for effective collaboration between the public and the private sectors to enhance domestic consumption of coffee.

A total of 926 coffee consumers and non-consumers participated in the study to determine the domestic coffee consumption in Uganda; of whom 56.3% were male and 43.7% female.

Overall, the study revealed that per capita consumption of coffee was at 0.80 Kgs per annum. It was noted that regionally, households in the Central and Western regions had a higher per capita consumption level at 1.42 and 0.63 Kgs respectively compared to the HHs in Eastern and Northern Region at 0.42 and 0.49Kgs respectively. Using the per capita coffee consumption, the annual coffee consumption was estimated at 533,000 bags.

The most consumed brand of coffee was Nescafe at 33.2%, followed by consumers who had no product loyalty and as such consumed any brand of coffee that was available at 11.7%.

A proportion of 71.3% of the respondents reported to prepare their coffee and drink it at home, 12.8% reported to prepare their coffee and drink it at work, 15.6% reported to drink their coffee from the hotels, and only 0.3% reported to order their coffee through an Application.

### 3.5 Coffee Promotion in China

UCDA supported the UCDA China Guangzhou Representative office (RO) to promote Uganda coffee at 8 trade shows and 8 events in China: Registration of China (RO) completed and now operational. A total of 18,270 (60 kilo bags) of coffee were exported to China by 8 companies. Kyagalanyi Coffee Ltd. had the largest market share of exports (32%) closely followed by Olam Uganda Ltd. (32%), Louis Dreyfus Company (U) Ltd. (16%) Kawacom (U) Ltd. (12%), Ideal Commodities (3%), Kampala Domestic Store (2%), Commodity Solutions Ltd. (2%) and

**Figure 14: H.E. President Y.K. Museveni at the UCDA/China Stall in Chin**



NUCAFE Ltd (1%).

Generally, a total of 88,056 bags worth (US\$ 9.8 million) were exported to China, Taiwan, Singapore, South Korea and Japan. 2 Uganda owned coffee trading companies were set up

in China as in Uganda and these are: Savannah Guangzhou Trading company and Nile Café; Uganda-China Coffee Association was formed. This is a platform for discussion and exchanging information regarding coffee trade in China.

**Figure 15: UCDA GRO and Uganda Consulate Staff at Guangzhou Fair 2018.**



**Figure 16: Showcasing Uganda Coffees at China African Economic Trade Expo, June 2019, Changasha**



**Figure 17: Women participation in Hainan International Coffee Congress in November 2018.**



### 3.6 Conclusion

The Directorate has continued to perform its regulatory and promotion function especially on quality assurance where 5.1 million bags were inspected and certified for export. Promotion of coffee both domestically and globally continued with increasing exports in emerging markets. Development of 11 quality profiles based on agro-ecological zones will enable Uganda coffee

to be branded with an ultimate aim of increasing incomes by farmers. Generic promotion in China continued with Uganda coffees showcased in a number of international exhibitions and Trade Fairs. Training of industry players in roasting and brewing, brand development continued throughout the financial year.



# 4

## CHAPTER FOUR PRODUCTION AND PRODUCTIVITY



# PRODUCTION AND PRODUCTIVITY

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## 4.0. Introduction

The Directorate of Development Services is mandated to provide extension services to farmers on Good Agricultural Practices and Agribusiness as well as technical services at the post-harvest level. It is responsible for facilitating the dissemination of research results in the field through regional and district officers and transfer of new technologies from the National Coffee Research Institute (NaCORI) in order to increase productivity. In 2018/19, the directorate implemented a number of activities which had a number of results/outcomes.

### 4.1 Promotion of planting material generation

The strategy is to create a sustainable demand driven initiative in production of coffee planting materials, using elite seed, vegetative cuttings and tissue culture. It involves provision of clean certified seed to private commercial nursery operators, support to nursery proprietors involved in vegetative propagation and sourcing Biotechnology services for mass multiplication. Key achievements under this programme included

- a) Distributed 38,475 kg of coffee seed comprising 34,350 Kgs of Robusta and 4,125 kgs of Arabica seed to nursery operators. Allocated 537,615 CWD-r plantlets to 112 beneficiaries for planting of which 86 were males and 26 were females. 298,365 plantlets allocated in Central Region with 69 beneficiaries; 10,950 plantlets in Eastern with 6 beneficiaries; 15,700 plantlets in Northern with 3 beneficiaries; 21,000 plantlets in South Western with 5 beneficiaries and 191,600 plantlets) in Western with 29 beneficiaries.
- b) Established CWD-r demo farms enhancing farmer adoption to the new variety.
- c) 1 Seed garden was supported and 110 kgs of Robusta seed harvested from Ngetta seed garden in Northern Region and 604Kg Arabica seed harvested from Zombo seed Stock garden.
- d) Distributed 327,555,806 coffee seedlings to farmers (95,471,961 in Central; 74,238,628 in Eastern, 16,207,512 in Northern, 35,868,001 in South Western and 105,769,704 in Western region)
- e) Coffee Rehabilitation through equipping farmer groups in 50 coffee districts was done. 153 Farmers were equipped with rehabilitation tool kits (Bow saw, pruning saw and
- f) Conducted 38 engagements to build capacity at buyer and processor level (8 in Central, 8 in Eastern; 6 in Northern; 8 in South Western and 8 in Western Regions) benefiting 1,510 stakeholders)

- g) Conducted 38 engagements to build capacity at buyer and processor level (8 in Central, 8 in Eastern; 6 in Northern; 8 in South Western and 8 in Western) benefiting 1,510 stakeholders)
- h) Conducted 45 District platform meetings
- i) Conducted 7 Inter-Regional Farmers' Study Tours (1 per region of the 7 existing regions) where farmers experience on Good Agricultural Practice (GAPs) was shared
- j) 215 Radio Talk Shows were conducted, (46 in Central, 30 in Eastern, 18 Elgon, 12 in Northern, 24 in Rwenzori, 66 in South Western, and 20 in Western). 11,610 Radio announcements aired on 27 radio stations (2 announcements per day). There is improved awareness of coffee as a business for income generation and general subsector issues
- k) Aired 11,610 Radio announcements in English and local languages on 27 radio stations
- l) Registered 778 buying stores, 578 factories, 179 processors in South Western, 20 Wet Mills (2 in Western, 9 in Elgon, 7 in Northern and 2 in South Western), 23 roasters (20 in Central and 3 in Elgon) and 85 exporter companies.
- m) Conducted 30 Task forces (4 in Central, 5 in Eastern, 4 in Elgon, 4 in Rwenzori, and 10 in South Western 1 in Western and 2 in Northern)
- n) Conducted 964 training sessions on GAPs and post-harvest handling (121 in Central; 217 in Eastern; 171 in Northern; 103 in Rwenzori; 235 in South Western and 117 in Western.

#### **4.1.1 Key Outputs: Coffee Development in Northern Uganda**

- a) Distributed 10 MT of seed to 142 nursery operators of which 114 were male and 28 were female for seedlings propagation for planting by smallholder farmers
- b) Distributed 61,500 banana suckers for intercropping with coffee to address climate change effects (15,000 banana suckers to Vinayak Agro farm and 46,500 banana suckers to 123 farmers of which 91 were male and 32 were female in Nwoya, Lira, Omoro, Oyam Amuru and Gulu Districts
- c) Established 9 TDS (two CWD-R Mother garden and 7 Commercial farms)
- d) Allocated 23,400 CWD-r plantlets to 5 beneficiary farmers (3 Male and 2 Female).

### How stumping has revived coffee production in abandoned fields

The process of cutting coffee trees in a certain angle, to allow new shoots to sprout is termed as stumping. The advantage of the technology is to help farmers who cannot afford seedlings continue harvesting from older trees that are no longer high yielding.

The technology that is being promoted among coffee farmers who are still keeping old and non-productive coffee trees on their farms, is one of the many that the Uganda Coffee Development Authority (UCDA) is promoting among farmers to increase coffee production in the country

This will help the organization achieve its target of exporting at least 4.6 million 60 kg bags of coffee to 20 million as per the coffee road map that was launched by President Museveni in 2017.

### 55-year-old Zavuga from Nyamiko Village in Sheema district,

*“I grew up knowing that a coffee tree is left to fruit till it becomes non-productive. Besides, some farmers have special attachments to their plantations that convincing them to cut such trees down takes a lot of time.”*

**Figure 18: Rejuvenation through stumping**



### Zavuga's testimony on stumping

*“When my garden was stumped for the first time, I harvested ten bags of Kiboko which I sold at sh4500 a kilo. In the second phase, I harvested 20 bags, and the third phase which is ongoing, I hope to harvest 25 bags, I grew knowing that when coffee trees get older, they are left in the garden till they gave way and used as firewood.*

*“I knew that when a coffee tree grows old, you leave it, I didn't know that it can be cut and shoots come up again. Until the UCDA team came and convinced me to offer my garden for demonstration is when I learnt. Since then, my garden has become a model farm, that is when we, alongside my neighbours, appreciated the technology,”*

*Apart from the increased harvest, I have since become a trainer of trainees and he mostly receives curious farmers from nearby villages of Kasekulu, Kasaana, Numba, Bushenyi, Ishaka, and Mitooma, to learn.*

*“Mitooma people were hard to convince that cutting chopping off some trees would improve production until they visited my garden both the stumped one and not stumped, that is when they embraced the idea,” Unlike other farmers who earn an extra income from such training sessions on their farms, I still offer free training because I too received it for free.*

*During training sessions, I train fellow farmers how to maintain stumped trees, manure and fertilizers application, when to mulch, when to water and the importance of intercropping coffee with bananas among other the food items.*

*“We make wine which we sell to neighboring district throughout the year, to make some money that can sustain the family as we wait for the coffee harvest.”*

**Figure 19: Washed coffee on Mr. Zavuga's farm at harvesting time**



**Figure 20; Mr. Ojok (centre) and his parents: Selective Picking improves quality**



### **Coffee seedlings return enable a senior six drop out back to school**

After completing senior six in 2013, Jacob Ojok, didn't see himself joining university because there was no source of funds that could sustain his education. The only investment he earned was from the sugarcanes, which he had planted during his senior four targeting for university education, couldn't help much since proceeds from the sugarcanes were meagre. He harvested canes worth Sh. 400,000/= only.

Having acquired some knowledge in tree planting from officials from the National Forestry Authority at Unyama, where Ojok stayed with his father, he decided to start with tree farming in Alaro Village, Alaro sub county in Nwoya district.

"I started farming for money in 2011 when I was in senior four. I used to plant sugarcane in a swamp which I would sell and pay some school fees and save some.

When I was in senior six, I had some sugarcane that I had planted to get some money that would take me to university. When results came back, I sold the sugarcane and only earned sh. 400,000," he narrates.

Since the money was too little for university tuition and related costs, Ojok decided to invest the money in pine tree growing. For pine, it was an easy task because he had prior knowledge on how to grow pine, having stayed in a refugee camp at Unyama Abera forest.

"I used that money to buy pine tree seedlings at Sh.400,000 which we planted on three acres of land because we already had some knowledge on tree planting which we acquired while staying in a refugee camp near the forest called Unyama Abera Forest," he said. While, there, Labeja says they used to accompany officials from the National Forest Authority in tree planting and they too got to learn some basics.

While the pine was growing, a neighbor came along and was impressed at the management of the forest, he therefore contracted Labeja and his team to plant for him pine on seven acres.

For the seven acres, they were paid sh1,800,000 for lining, marking, setting, pitting and the actual planting of the trees, explains Ojok.

From the tree planting deal, they used Sh.500,000 for purchasing banana suckers, each at sh2500 which they planted in more than three acres, although he cannot recall the exact size of land that time and remained with some balance.

"After buying suckers, we still had a balance, my elder brother and I didn't know that UCDA was giving out coffee seedlings so we bought some from a nursery operator by the road side, but these were not growing well," he recalls.

### **UCDA's involvement in Labeja's farm**

While they were still wondering how to make the coffee seedlings they had at hand productive, they got some good news from their father, Mzee Labeja Oto who

informed them that UCDA was giving out free coffee seedlings so they didn't have to spend more money, purchasing seedlings.

Ojok explains further that his father directed them to UCDA offices in Gulu town, which he immediately approached to understand procedures involved in getting seedlings.

That is when officials from UCDA visited his area to assess the soils and their viability for coffee production. So in 2015, Labeja was taken on by UCDA for training and related procedures involved in coffee production before he was given the first seedlings.

During the training, they were taken through the processing growing coffee for to harvest the beans. Pests and disease management, and other best farming practices needed by coffee plantations.

After the training, around 2016, Ojok was given the first seed for developing seedlings. In addition to seedlings and training, Ojok was given polythene pots used in seedling production, which seedlings he sold through UCDA to other farmers.

"I planted on 3 acres in 2017. From that investment, I was able to earn sh3.5 million shillings because it was just the start, but next financial I supplied more and I expect Sh.31 million" says Ojok.

Part of the money was used for labor because the farm was expanding from the five acres and now to seven acres. Apart from labor and some basic needs at home, some money was used for purchasing a second hand motorcycle to help in monitoring activities on the farm.

"When I am paid that 31 million, I will go back to school although not in agriculture, I didn't study it at school but mechanical engineering as my brother manages the farm because we have been working together," he adds.

Apart from his brother, Ojok has been able to succeed with help of all family members including his mother, who is involved in the harvesting, drying of coffee beans and ensuring that there is always lunch whenever her sons are on the farm.

While the father, Mzee Labeja's main role is to keep encouraging his sons not to despair because they didn't attain the education they wanted and encourages them to using agriculture to secure their future.

### Impact on the community.

Much as he suffered to succeed in farming, Ojok has initiated a training program for other youth interested in farming. Most training are conducted from his compound and one which focused on coffee growing, which attracted a group of 50 youth within his village. "Some of the youth have started with bananas are buying suckers from me, some want to try out coffee seedling production and some have already started," he added.

**Figure 21: Regional Coffee Extension Officer, Kapchorwa, Ms. Victoria Chemutai (right), with Ms. Cheptoris, a female teacher/ farmer after pulping the coffee into parchment**



### Stumping, restoring Arabica coffee in Sebei region

When Leah Sally Cheptoris (58), one of the model Arabica coffee farmers in Kamusha village, Sipi Sub County, Kapchorwa district, hosted an extension officer last year. Her concern was the reducing harvest from her 6-acre coffee plantation.

"In spite of conforming to the recommended good agricultural practices, the yield per coffee tree has continued to drop from the original 8kg of cherries per tree per season, to a paltry 3kg or even less in the last three years," When the extension officer toured my garden, she observed that the eight-year-old

plantation had lost the vigor and needed replacement, which can either be planting new coffee, starting with seedlings or maintain the same plants but this time pruned for the new productive shoots to develop, a process called stumping.

However, it wasn't easy for me, a secondary fine art teacher at Gamatui Girls Senior Secondary School because the idea of cutting down here plantation was like taking the most bitter pill around,"

"I've earmarked a portion on one care out of the 6 acre acres where I grow Arabica coffee, to be stumped immediately after this harvest, if it is the only technical option that will revamp productivity on my farm," UCDA Sebei sub region coffee extension officer Victoria Chemutai, said that stumping is one of the primary strategies that she has successfully rolled out on behalf of UCDA as part of efforts improve production of coffee.

She however noted some resistance from most coffee farmers in her region, comprised of Kapchorwa, Kween and Bukwo.

### **Resistance from farmers.**

"The thought of cutting down, a coffee plantation at once from which a house hold has been depending on for a daily income has been a very difficult decision to make, until model farmers have voluntarily taken heed of the technical advice"

"However, with the will of model farmers, we have now started voluntary stumping of their old coffee plantations, which will encourage others to follow suit "Small holder coffee farmers here, not only regard model farmers in our community with a lot of respect but also emulate whatever agronomical practice a model farmer undertakes on his or her plantation,"

"Majority of small holder coffee farmers here confess inheriting the coffee plantations from their great grandfathers. It would be a taboo that lead to a curse if they ever approved stumping exercise,"

"For a farmer who has been used to harvesting 15 tons of dry Arabica coffee in a season but this time around doesn't expect to realize even a quarter a ton, I have already hatched a 6 year plan on how best to practice stumping on her coffee garden.

I will be stumping an acre portion of the entire coffee plantation every year, until all the old coffee trees have been cut down,"

"Although I had earlier been advised by the extension officer I had confided with my concern; I have closely been watching a fellow farmer."

### **No farming project pays off like coffee farming- Welishe Anthony, Buhanakwa village Busano Subcounty Mbale District.**

"In 2005, I was given 2 plots of land by my father. and later merged the plots resulting into one acre.

"I used to watch my father planting coffee from the time we were kids. I also witnessed how people used to pay for the coffee to my father right from home,"

Although I dont remember how much my father used to earn, I believe it is the money that catered for our education and sustained our home.

"The idea of making money and people bringing it to your door step got stuck in my mind and I promised myself that one day, I too will have my own coffee plantation and also earn from him. So my 'mzee' giving me those two pieces of land, was the greatest blessing,"

I did not go straight into coffee farming, instead, I first carried out research through interactions with farmers and farmer groups mainly from Bulambuli and Budadiri, who were into coffee production.

### **Starting out**

"Armed with enough information on coffee farming, I decided to kick start coffee farming officially in 2016 on my one acre, using the SL-14 Arabica coffee, said to be resistant to harsh weather conditions such as too much rain and heat but also said to last longer on the farm.

While my plantation was established, it was spotted by UCDA officials, during their monitoring visits to farmers in the region and decided to engage me as a model farmer.

*“The engagement came along with training on nursery bed operation, accompanied with seedlings for multiplication so as to sell quality coffee seed to farmers in my areas.*

*“Soon I became a seed supplier in addition to coffee farming that means, making more money from the sale of coffee beans and the seed and that is more money for me and my family. I can tell you there is no farming project that pays like coffee,”*

*“Much as I have been able to have the above breakthrough, the farming venture calls for close monitoring and maintenance of the coffee plants using the available materials.*

*For example, on my farm, i use waste products from poultry, livestock and sometimes artificial fertilizers,”* Apart from the application of organic manure, I also prune the coffee plantation using some of the equipment that I was given by UCDA in addition to pesticides to prevent spread of diseases and disease causing organisms.

### **Market for my farm produce**

*“As a certified seed supplier, I sell my coffee to UCDA at sh 10000 per kilo of which I supply UCDA with 10,000 kilos of coffee per annum; while other farmers sell theirs at sh 6000per Kilo.*

### **Achievements realized so far.**

*“I have increased my land holding from 1 to 10 acres, have completed the construction of a maroon roofed house that stands out in my village, already achieved my dream. It is very expensive to build a house in a hilly area like ours because of the poor roads especially during the rainy season, because it becomes hard to transport materials, but I managed and as you can see my house stands out in the village, apart from having a good home from coffee, my children study from good boarding schools in the east”.*

### **Challenges along the coffee journey.**

*“Despite the achievements, I have experienced some challenges along the journey and one of these is theft of coffee both in the garden and in the stores.*

*During the harvest season, theft of coffee increases. I recently lost 200kgs of coffee to thieves who broke into the store through the back door, and made off with 2 bags each weighing 100kgs,”*

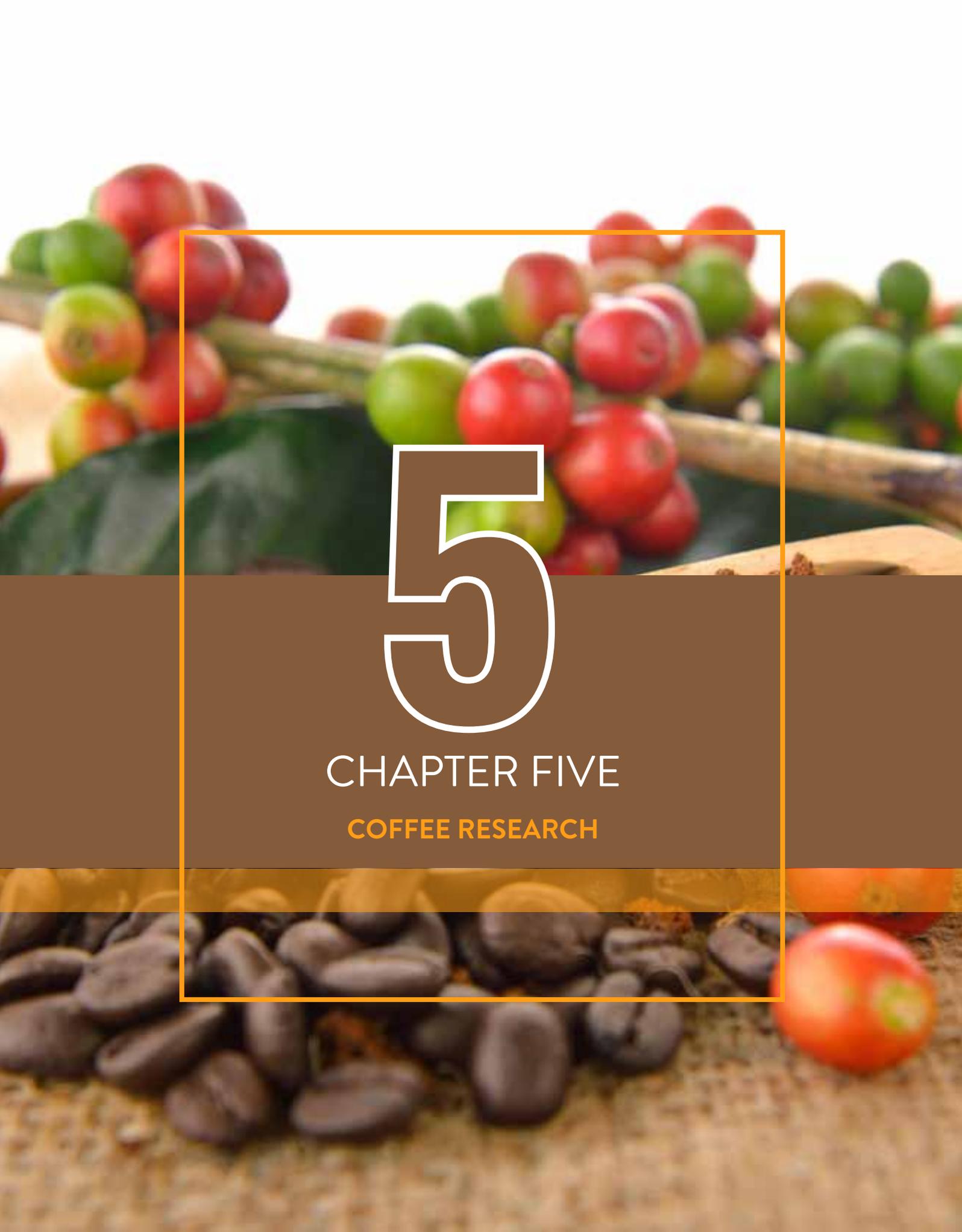
*“Also, during the rainy season, it becomes hard to apply the right quantities of agro chemicals. They also suffer from effects of unpredictable weather, of which the dry spell usually has bad effects on the crop,”*

*“During the prolonged dry spells, flowering coffees don’t fruit, and is usually between December, January and February. Also when there is too much rain accompanied with hailstorms, these also lead to the dropping of immature coffee beans from the stems.”*

*“Lack of skilled labour in the management of coffee plants is another challenge. We would be sourcing for skilled workers but we end up working with the available work force. Many times, when weeding, these damage the roots, paving way for soil born disease causing organisms.”*

## **4.2 Conclusion**

The Directorate’s major deliverables were the distribution of over 300 million elite seedlings to farmers, allocation of 537,615 Coffee Wilt Disease resistant (CWD-r) plantlets to 112 beneficiaries in Robusta Coffee growing regions. Coffee rehabilitation through equipping farmer groups in 50 coffee districts was done. 153 Farmers were equipped with rehabilitation tool kits (bow saw, pruning saw, etc.). Success stories on rehabilitation through stumping and fertilizer application were documented. The Directorate continued to air coffee programmes on a number of radios and this has ensured increased farmer outreach. There was also a deliberate effort to increase coffee production in Northern Uganda. This was achieved through engagement of farmers, local authorities and input suppliers to provide the needed incentives to increase coffee productivity at farm level.



# 5

## CHAPTER FIVE

### COFFEE RESEARCH

## COFFEE RESEARCH

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### 5.1 Introduction

During the FY 2018/19, coffee research focused primarily on raising the yield potential of Arabica coffee from the current 1.5 towards 5-7 tons of clean coffee/ha/year, and broadening the genetic base of CWD-resistant varieties adapted to different agro-ecologies. Further, research aimed to complete novel technologies towards addressing problems of pests and diseases, and those arising from changing climatic conditions.

### 5.2. Achievements

The following are the highlights of NaCORI's achievements for the FY 2018/19 under the UCDA support.

- 1) Biotechnology laboratory equipped with essential equipment and consumables boosting its operational level from 40 to 80%. During the period under review, the following systems and equipment's installed and/or operationalized: fire alarm, biometric and backup systems, fencing, Bio-safety cabinets, laminar flow-hoods, autoclaves, solar water-pump, generator housing, and automatic screen-house irrigation system. Assorted chemicals and equipment for biotechnology and nursery units were also procured.
- 2) Novel tissue culture protocols developed the previous year have improved callus formation and embryo germination from 10 to 80% by end of FY 2018/19. Use of TDZ gave highest callus and embryo response for varieties KR4 (85%) and KR5 (77%), while using 1.5mg/L of Best Agricultural Practices (BAP) gave best embryo development for KR9 (95%) and KR10 (80%).
- 3) During the FY 2018/19, 96,764 cuttings where cloned, 33,382 rooted-cuttings weaned and 21,943 rooted-cuttings availed to farmers. Additionally, 7,308 tissue culture plantlets/ materials (including new cultures, established cultures and RITAs with germinating embryos) were generated.

**Figure 22: New RITA bio-reactors deployed in the biotechnology laboratory**



- 1) Results of experimentation on spacing showed closer spacing of coffee (3x1m) gave better growth of the coffee than wider recommended (3x3m) spacing, but only with higher fertilizer/ manure application.
- 2) Preliminary results of fertilizer trials showed 50g/plant of NPK produces best growth of coffee, with either extreme (0g/plant and 150g/plant) retarding growth.
- 3) Studies of benefits of shade trees in coffee revealed shading significantly reduces incidence and severity of Coffee Leaf Rust (CLR) in in dry season.
- 4) Disease studies have also revealed that sexual mating types of the CWD pathogen are more potent (shorter latent period and higher incidence) than their asexual mating counterparts. This information is significant for enhancing efficiency of screening varieties for CWD resistance and management of the disease in the field.
- 5) Draft of NaCORI communication plan was developed and ready for stakeholder appraisals;
- 6) NaCORI staff were also active in technology dissemination through the “Harvest Money” and “Buy-Uganda-Build-Uganda” expos, where 300 participants were exposed to NaCORI technologies
- 7) Eight (8) housing units in two (2) blocks were constructed at Kituza to house staff, and dilapidated screen-houses reconstructed/ repaired.

#### 4.3 Research Infrastructure and other developments at NaCORI during the FY 2018/19

Infrastructural developments undertaken at NaCORI are illustrated below:

**Figure 23: new residential units for staff at NaCORI**



**Figure 24: New heavy duty Autoclave to eliminate contaminations**



Figure 25: Left: Laminar flow-hood for fresh -germfree working environment.  
Right: Growth data collection on coffee at on-station spacing trial at Kituza



### 5.3 Conclusion

By end of FY 2018/19, a Biotechnology laboratory had been equipped with essential equipment and consumables at NaCORI, Kituza Mukono District boosting its operational level from 40 to 80%. In addition, a solar water pump and assorted chemicals and equipment for biotechnology and nursery units were also procured. In addition,

novel tissue culture protocols developed the previous year had improved callus formation and embryo germination from 10 to 80%. Research was carried out on various KR varieties and results shared. By end of the FY, a number of CWDr cuttings had been cloned, rooted, hardened and availed to farmers.



# 6

## CHAPTER SIX

### CORPORATE SERVICE & GOVERNANCE

## CORPORATE SERVICE & GOVERNANCE

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### 6.0 Introduction

The Directorate of Corporate Services is headed by the Director of Corporate Services who is also the Board Secretary responsible for Board matters and the custodian of legal documents of the Authority. It comprises four departments: Legal, Management Information Systems (MIS); Finance; Human Resource, and Administration.

A number of achievements were realized as indicated below;

#### 6.1 Governance

- The Board held four (4) full Board Committee meetings, and 11 Board Committee Meetings. The Board approved the Coffee Quality Manual and Forms, and new structure/staffing levels in the Quality and Regulatory Services Directorate. The Board also approved the 12 months' performance report and Management Accounts for FY 2017-18 and the 6 months' performance report of FY 2018-19. In addition, the Board approved the recruitment plan for senior staff in FY 18-

19, the budget and work plans for FY 19-20. It also confirmed the appointment of senior staff – Technology Development Manager (TDM), Technical Extension Manager (TEM), Regional Manager (RM) – and the recruitment procedures for the position of the Director Strategy and Business Development.

- The Board further considered the mid-term review of the National Coffee Strategy, the Domestic Coffee Consumption Survey report and the evaluation of the coffee replanting Program.
  - The Minister of State for Agriculture and the Board chair conducted a benchmark visit to Vietnam to study the coffee sub sector and gain insights on how to improve production in Uganda.
  - The Board held 4 engagements with various stakeholders in the political leadership (1 meeting with the Minister of Agriculture, Animal Industry and Fisheries, 1 meeting with the Minister of State for Agriculture, 2 Meetings with MPs on the Parliamentary Committee on Agriculture) on coffee industry matters.
-

**Figure 26: Head of Delivery Unit-OPM, Prof. Ezra Suruma (left), UCDA Chairman. Mr. Perez Bukumunhe and Hon. Gerald Sendawula (right) during the Annual Coffee Stakeholders Workshop at Pearl of Africa Hotel in April 2019**



- The Chairman of the Board held meetings with the Operation Wealth Creation leadership, the Uganda Development Network and Busoga coffee nursery operators.
- Management signed a Memorandum of Understanding with Uganda Development Bank (UDB) for acceleration of production and export of Uganda coffee and one with Hoima Diocese for coffee production and productivity activities.
- The Board conducted a Monitoring and Evaluation exercise in the districts of Kasese, Kabarole and Kyenjojo. The main objective of the field exercise was to
  - monitor various programmes/activities undertaken by UCDA and other coffee value chain key stakeholders in the coffee sub-sector. The major recommendations were:
    - i. Support organized farmer organisations and/or cooperative societies/unions in investment to establish post-harvest handling and processing infrastructures such as coffee wet mills and hullers.
    - ii. Trainings on gender sensitivity in coffee sub-sector to ensure inclusiveness at the cooperative level. Attract educated farmers to join cooperatives

- iii. Intercrop coffee with annual crops (beans, soya beans) that give residues to overcome mulching issues for coffee production.
- iv. Awareness creation of available credit sources for access to coffee farmers by Coffee extensions to improve coffee productivity.
- v. More coffee officers should be recruited for the region to reduce on the area coverage per officer and improve service efficiency.
- vi. Build capacity of the existing coffee farmer associations to ensure efficiency in their operations which will lead to economic transformation of the members.
- The Board held a corporate governance training and retreat. The Board was trained in; -the structure and changing dynamics of the coffee market dynamics; Coffee trade financing; the roles of Board Members and Management; and the Public Finance Management Framework

## 6.2 Human resources

- UCDA maintained 118 staff (83 males and 35 females) and 11 temporary staff (7 females and 4 males) on the established structure out of an approved structure of 137 staff.
- Eleven individuals were recruited and selected for the following positions: Extension Manager, Technology

Development Manager, Regional Manager, Technical Extension Manager, Administration Manager, Quality Assurance Officer, Regional Coffee Extension Officer, Lab Technician and three Administrative Assistants.

- Under the capacity building programme, 70 staff members underwent various trainings. The training programmes covered extension services, Monitoring and Evaluation, corporate governance, coffee financing, and public finance management as well as professional courses. Other capacity building programmes included leadership training for 20 management staff, performance enhancement sessions, Gender and Equity Training for 22 staff members and procurement training for 25 staff members. The organisation also built capacity in the area of open data management.

## 6.3 Corporate Events

UCDA organized and participated in the following events:

- The annual national Coffee Day celebration. This was held at the Mukono Zonal Agricultural Research and Development Institute on 4 October 2018. The highlights of the event included a panel discussion on issues affecting women in the coffee sub sector, a well-attended exhibition of coffee value chain processes and products and entertainment from women in coffee. Over 500 participants took part in the

celebrations.

- The first ever Coffee Tourism symposium and exhibition. This expo highlighted the opportunities in the sub sector for tourism. Coffee Tourism links coffee farmers to consumers under a farm-to-cup approach. The feedback from the tourists helps farmers better their methods, which in turn leads to increased production of high quality coffee and hence boosts returns. At least 180 delegates and 20 exhibitors attended the inaugural event and included tour operators, coffee farmers, hoteliers and others involved in the hospitality and coffee industry.
- The Annual Global Coffee Platform stakeholder meeting at which two consultants presented the costed implementation plan for the Coffee Roadmap.
- A Farm Clinic organised by Monitor Publications. The clinic gives farmers and members of the public opportunity to learn from each other. UCDA staff trained farmers and potential farmers on good agricultural practices and advised the public about the benefits of coffee as a business enterprise.
- The URA Taxpayers' Appreciation Week where UCDA promoted coffee farming as a business as well as coffee consumption.
- Monthly Corporate League events: UCDA served brewed coffee during 12 monthly events while explaining the benefits of the beverage. Coffee is fast becoming a beverage choice among this group of

corporate employees.

- Corporate Social Responsibility activity: UCDA represented by the Corporate Communications Manager and Ag. Director, Strategy and Business Director participated in a government communicators-organised forest restoration programme that involved Government communication officers and the public planting trees in Mabira Forest. UCDA planted 20 trees at the event.

#### **6.4 Compliance with Regulatory Frameworks**

The Authority was compliant with different Government regulatory frameworks. Timely submission of program performance reports and accountabilities were made to the following:

- Office of the Auditor General
- The Parliamentary Accountability Committees
- Ministry of Agriculture Animal Industry and Fisheries
- Ministry of Finance Economic Planning and Economic Development
- Public Procurement and Disposal of Assets Authority
- Privatization Monitoring Unit (PMU).

The Authority received an unqualified audit opinion in the financial year.

#### **6.5 International Obligations and Intergovernmental Meetings**

Uganda maintained its membership at the International Coffee Organization (ICO) and the Inter-African Coffee Organization (IACO). The membership contributions to the administrative

budgets of IACO and ICO were paid.

Uganda participated in:

- a. The 123rd and 124th Coffee sessions of the International Coffee Council of the ICO in UK where Uganda's coffee profile was highlighted.
- b. The Annual General Assembly of the Inter African Coffee Organisation (IACO) held in Libreville, Gabon in February 2019. A sixth African coffee symposium was also held alongside the AGM. The theme of the AGM was "Organization of the Coffee Sector in Africa for Sustainable and Inclusive Development". The Symposium that was attended by the ICO Executive Director, Mr. Sette included lively panel discussions on coffee consumption in IACO member countries, free trade areas and other important challenges facing the development of the African coffee sector.

## 6.6 Management of Assets

- Regular maintenance and repair of buildings, motor vehicles, motor cycles and assorted equipment was undertaken.
- All assets were insured, and staff and directorates / departments facilitated with office logistics and transport. All utilities were also paid on time.
- Repair and renovation works was done on properties in Bugolobi.

## 6.7 Partnerships and Collaborations with Sector players

UCDA values its partnerships and collaborations with the various players along the value chain on

the local and international scene.

UCDA continued to provide monthly support to the following coffee associations National Union of Coffee Agribusiness and Farm Enterprises (NUCAFE), Uganda Coffee Farmers' Alliance (UCFA), International Women's Coffee Alliance – Uganda Chapter (IWCA-Uganda), Uganda Quality Coffee Traders and Processors Association (UQPPTC) and Africa Fine Coffees Association (AFCA).

In addition to the program and administrative support to the coffee associations (NUCAFE, UCFA, UCRA, IWCA-Uganda, UQPTA, and Africa Fine Coffees Association (AFCA)), UCDA signed memoranda of association with Uganda Cooperative Alliance with the following results:

- A capacity assessment exercise was conducted by Uganda Cooperative Alliance and UCDA in 2018 to identify underlying capacity gaps inherent in coffee farmer organizations/cooperatives to inform development of strategic interventions. A total of 70 farmer organizations/cooperatives from 23 districts and 3 regions (Eastern, Western and Northern regions) were assessed with the following:
  - 80% of the FOs had limited legal status, either as registered Farmer Associations or Community Based Organizations (CBOs) or as cooperatives at Sub County or district.
  - 65% members were proud of associating with their FOs, but their loyalty is affected by the limited services received

- from the FOs.
- Increasing farmers' participation in farmer organizations with a total membership of 28,929 members in 70 FOs which gives an average 413 farmers per FO
  - Identified key areas were: Relevancy of farmer organization to its members; Provision of business development services; Business management, and financial management
  - Activity implementation was relatively low falling below average (50%)
  - Majority of FOs have Boards and conduct AGMs, though many of them have no operational Sub committees in place which support general operations in the FOs.
  - On challenges, the leaders in the FOs lack Basic knowledge on group dynamics and many times fail to steer their FOs to achieve their visions; lack of operational procedures and guidelines to guide their operations as well as skills in developing plans and setting realistic targets, The FOs also had limited partnership with other actors in the coffee value chain.
  - Three (3) trainings were conducted starting in Eastern, Western and Northern regions attracting 2,197 participants (Male-1182, Female-766, Youth-234) across 34 districts. The key areas of focus were: good governance, bulk marketing and group dynamics.
  - The trainings were appreciated and requested facilitation to pass on of the skills and knowledge acquired to other members through training.
  - Cooperatives reported to UCA that membership loyalty has improved and new members have registered as cooperators.
  - AGMs were conducted in the cooperatives, capacity of members enhanced through role evaluation, responsibilities and rights in Cooperatives as well as patronage.
  - Members improved in collective production, bulking, marketing and value addition.
- UCDA also maintained membership subscription to several institutions namely Specialty Coffee Association of America, (SCAA), National Coffee Association of USA, African Fine Coffees Association (AFCA), Institute of Corporate Governance (ICGU), Public Relations Association of Uganda (PRAU), Uganda Manufacturers Association (UMA), Federation of Uganda Employers (FUE) and Uganda Statistical Society (USS).
- The Authority, through Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), tabled the National Coffee Bill 2018 before Cabinet. It was gazetted in November 2018, presented to Parliament for the 1st reading on the 30th of April, 2019 and forwarded to the Parliamentary committee on Agriculture, Animal Industry and Fisheries for consultations prior to report compilation.

## 6.8 Conclusion

The Board further considered the mid-term review of the National Coffee Strategy, the Domestic Coffee Consumption Survey report and the evaluation of the Coffee Replanting Program. UCDA signed Memoranda of Understanding with Uganda Development Bank (UDB) for acceleration of production and export of Uganda coffee and one with Hoima Diocese for coffee production and productivity activities.

The Board conducted a Monitoring and Evaluation exercise in the districts of Kasese, Kabarole and Kyenjojo. The main objective of the field exercise was to monitor various programmes/ activities undertaken by UCDA and other coffee stakeholders. One of the major recommendation by the Board was to build capacity of the existing coffee farmer associations to ensure efficiency in the association's operations which would lead

to economic transformation of the members. Towards the end of FY, a Coffee Roadmap was also launched by H.E. the President to revive the coffee industry and rekindle coffee production from the 3.5 million bags produced to 20 million bags by 2025.

In terms of staff strength, UCDA maintained 118 staff (83 males and 35 females) and 11 temporary staff (7 females and 4 males) on the established structure out of an approved structure of 137 staff. Some pursued training to enhance their productivity in service delivery. UCDA also participated in various Corporate Social Responsibility events as well as ensuring compliance with government's reporting frameworks.

**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS OF UGANDA COFFEE DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 TH JUNE ,2019**

**THE RT. SPEAKER OF PARLIAMENT**

**Opinion**

I have audited the accompanying financial statements of Uganda Coffee Development Authority which comprise the statement of Financial Position as at 30<sup>th</sup> June 2019, the Statement of Financial Performance, Statement of Changes in Equity and Statement of cash Flows together with other accompanying statements for the year then ended, and notes to the financial statement, including a summary of significant accounting policies.

In my opinion the financial statements of Uganda Coffee Development Authority for the year ended 30<sup>th</sup> June 2019 are prepared, in all material respects, in accordance with section 51 of the public Finance Management Act 2015 and the Financial Reporting Guide, 2018.

**Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's independent of the Uganda Coffee Development Authority in accordance with the Constitution of the Republic of Uganda, 1995 ( as amended), the National Audit Act ,2008 the International

Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics , the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ( Part A and B)(IESBA code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



**John F.S. Muwanga**  
**AUDITOR GENERAL**  
KAMPALA  
6<sup>th</sup> December

**STATEMENT OF FINANCIAL PERFORMANCE**  
(Based on classification of expenditure by nature)

	Note	Actual 30 June 2019 (Shs)	Actual 30 June 2018 (Shs)
<b>OPERATING REVENUE</b>			
Revenue			
Taxes			
External Grants Received	2	0	0
Transfers received from the Consolidated Fund	3	0	0
Transfers from the Contingencies Fund	4	94,530,790,396	71,083,308,916
Transfers received from other Government units	5	0	0
Non- Taxes revenue	6	0	0
	7	17,156,442,670	20,571,277,431
Total operating revenue		111,687,233,066	91,654,586,47
<b>OPERATING EXPENSES</b>			
Employee costs	8	10,128,727,112	9,397,870,614
Goods and services consumed	9	118,414,707,130	038,864,225,323
Consumption of property, plant& equipment	10	0	0
Subsides	11	0	0
Transfers to another Organisation	12	0	0
Social benefits	13	0	0
Other operating expenses	14	99,194,403	34,000,00
Total operating expenses		128,642,628,645	148,296,095,937
Excess of revenue over expenditure from operating activities		(16,955,395,579)	(56,641,509,590)
Foreign exchange loss (Gain)	15	0	0
Finance costs	16	0	0
Transfers to Treasury	17	(18,677,614,038)	(20,326,979,954)
Excess of Revenue over expenditure for the year		(35,63,009,617)	(7,968,489,544)

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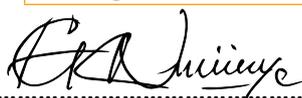
.....  
Dr. Emmanuel Iyamulemye Niyibigira  
**Accounting Officer**

## Statement of Financial Position

	Notes	30 June 2019 (Shs)	30 June 2018 (Shs)
<b>ASSETS</b>			
Cash and cash equivalents	18	62,954,383	926,432,111
Receivables	19	1,856,679,595	1,475,280,749
Inventories	20	0	0
Investments	21	0	0
Non-Produced Assets	22	0	0
<b>Total Assets</b>		<b>1,919,633,978</b>	<b>2,401,712,860</b>
<b>LIABILITIES</b>			
Borrowings	23	0	0
Payables	24	141,249,416,869	106,099,093,573
Pension Liability	25	0	0
<b>Total Liabilities</b>		<b>141,249,416,869</b>	<b>106,099,093,573</b>
<b>Net assets (liabilities)</b>		<b>(139,329,782,891)</b>	<b>(103,679,380,713)</b>
<b>REPRESENTED BY: -</b>			
Net Worth		<b>(139,329,782,891)</b>	<b>(103,679,380,713)</b>

## Statement of Changes in Equity (Net Worth)

	Schedule	30 June 2019 (Shs)	30 June 2018 (Shs)
At 1 July – Net worth Last Year (B/F)		<b>(103,697,380,713)</b>	<b>(27,480,006,251)</b>
Less: Transfers to the UCF account (Previous Year Balances)		0	0
+/- Adjustments (Cash and cash equivalents)		607,439	0
Payables adjustments (See statement of outstanding commitments)		0	0
Adjustment in the receivables		0	751,115,082
Revaluation reserve		0	0
Add: Excess of revenue over expenditure for the Year		(35,633,009,617)	(76,968,489,544)
<b>Closing Net Financial Worth</b>		<b>(139,329,782,891)</b>	<b>(103,697,380,713)</b>



Dr. Emmanuel Iyamulemye Niyibigira  
Accounting Officer

## Cash flow statement for the year ended (Direct Method)

	30 June 2019 (Shs)	30 June 2018 (Shs)
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>		
Revenue from Operating activities		
Taxes	0	0
External Grants Received	0	0
Transfers received from the Consolidated Fund	94,530,790,396	71,083,308,916
Transfers from the Contingencies Fund	0	0
Transfers received from other Government units	0	0
Non- Tax revenue	17,156,442,670	20,571,277,431
Deposits received	0	0
Advance recovered	0	0
Less Transfers to Treasury (Balances and NTR)	(18,677,614,038)	(20,326,979,954)
<b>Total Operating revenue</b>	<b>93,009,619,028</b>	<b>71,327,606,393</b>
<b>PAYMENTS FOR OPERATING EXPENSES</b>		
Employee costs	10,128,727,112	9,397,870,614
Goods and services consumed	15,476,919,530	32,765,131,750
Subsides	0	0
Transfers to Other Organization	0	0
Social Benefits	0	0
Other expenses	99,194,403	34,000,000
Foreign exchange loss/(gain)	0	0
Net Advances paid	381,398,846	724,165,667
Domestic arrears paid during the year	67,787,464,304	28,076,941,800
Pension Arrears paid during the year	0	0
Losses of cash	0	0
Letters of Credit receivable	0	0
<b>Total payments for operating activities</b>	<b>93,873,704,195</b>	<b>70,998,109,831</b>
Net cash inflows /(outflows) from operating activities	<b>(864,085,167)</b>	<b>329,496,562</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	0	0
Purchase of non-produced assets		
Proceeds from sale of property, plant and equipment		

Purchase of investment		
Proceeds from sale of investment		
<b>Net cash inflows/ (outflows) from investing activities</b>	0	0
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from external borrowings	0	
Repayments of external borrowings		
Proceeds from other external borrowings		
Repayments of other domestic borrowings		
Net cash flow from financing activities	0	0
Net increase (decrease) in cash and cash equivalents	<b>864,085,167)</b>	<b>329,496,562</b>

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Dr. Emmanuel Iyamulemye Niyibigira

**Accounting Officer**

**Cash flow Statement for the year ended (continued)**

#### Reconciliation of movement of cash during the year

	Notes	30 June 2019 (Shs)	30 June 2018 (Shs)
At the beginning of the year		926,431,111	596,935,549
Less: Transfers to the UCF account (Previous Year Balance)		0	0
Add /(Less): Adjustment to the opening balance		0	0
Add/(Less): Adjustment in cash and cash equivalents		607439	0
Add/(Less): Adjustments (Transfers for Urban Un condition)		0	0
Net increase(decrease) of cash from the <b><u>cash flow statement</u></b>		<b>(864,085,167)</b>	<b>329,496,562</b>
<b>At the end of the ear</b>		<b>62,954,383</b>	<b>926,432,111</b>

#### For purpose of the cash flow statement cash and cash equivalents comprise

		30 June 2019 (Shs)	30 June 2018 (Shs)
Cash and bank balances	18	<b>62,954,383</b>	<b>926,431,111</b>

Cash and bank balances		62,954,383	926,431,111
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Dr. Emmanuel Iyamulemye Niyibigira  
Accounting Officer

Other Notes to the Financial Statements

**Note 1: Exchange Rates**

All monetary amounts in the financial statements are expressed in Uganda shillings, the functional currency. The Uganda Shillings closing rates (the Bank of Uganda middle rate) for major currencies were:

	30 June 2019 (Shs)	30 June 2018 (Shs)
United States Dollar	0	0
British Pound	0	0
Euro	0	0

**Note 2: Taxes Revenue**

Tax revenues comprise both direct and indirect taxes levied and collected on behalf of Government

	30 June 2019 (Shs)	30 June 2018 (Shs)
Local Services tax	0	0
Land fees	0	0
Business Licenses	0	0
Other tax revenues	0	0
<b>Total taxation revenues</b>	<b>0</b>	<b>0</b>

**Note 3: External Grants received**

	30 June 2019 (Shs)	30 June 2018 (Shs)
Grants from foreign governments	0	0
Grants from International organisation	0	0
<b>Total Grants</b>	<b>0</b>	<b>0</b>

**Note 4: Transfers Received from the Treasury- Consolidated fund**

	30 June 2019 (Shs)	30 June 2018 (Shs)
Transfers from the treasury- currency	94,530,790,396	71,083,308,916
Transfers from the treasury- capital	0	0
<b>Total funds</b>	<b>94,530,790,396</b>	<b>71,083,308,916</b>

**Note 5: Transfers Received from the Treasury- Contingencies Fund**

	30 June 2019 (Shs)	30 June 2018 (Shs)
Response to natural crisis- location -A	0	0
Response to natural crisis- location -B	0	0
<b>Total Transfers for the Year</b>	<b>0</b>	<b>0</b>

**Note 6: transfers received from other government units**

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities. For instance, road maintenance funds, grants recognise by treasury but transferred to other executing MALGS, etc

	30 June 2019 (Shs)	30 June 2018 (Shs)
Transfers received from other Gov't Units – Current ( <i>Names of the Government unit</i> )	0	0
Transfers received from other Gov't units – Capital ( <i>Name of the government unit</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Note 7: Non-Tax Revenue**

Comprise non- tax revenues from exchange transactions collected during the year were as follows

	30 June 2019 (Shs)	30 June 2018 (Shs)
Investment income	0	0
Dividends	0	0
Rent	0	0
Other property income (disposal of assets)	0	0
Sale of goods and services	1,084,947,602	1,054,639,413
Administrative fees and licenses	16,071,495,068	19,516,638,081
Court fines and Penalties	0	0
Other fines and Penalties	0	0
Miscellaneous Revenue	0	0
<b>Total Non-Tax Revenue</b>	<b>17,156,442,670</b>	<b>20,571,277,431</b>

**Note 8: Employee Costs**

Employee costs principally comprise

	30 June 2019 (Shs)	30 June 2018 (Shs)
Wages and salaries	7,922,386,204	7,205,948,074
Social contributions	692,617,872	696,761,700
Other employment costs	1,513,723,036	1,495,160,840
<b>Total employee costs</b>	<b>10,128,727,112</b>	<b>9,397,870,614</b>

**Note 9: Goods and Services**

Expenditure on goods and services during the year principally comprise the following:

	30 June 2019 (Shs)	30 June 2018 (Shs)
General expenses	3,312,615,618	3,338,601,369
Communications	416,954,038	426,580,057
Utility and property expenses	508,753,974	596,747,255
Supplies and services	109,711,485,823	132,488,443,707

Professional services	417,571,801	260,589,738
Insurance and licenses	149,757,300	255,845,874
Travel and transport	3,354,406,494	1,178,381,048
Maintenance	543,162,082	319,036,275
Inventories (goods purchased for resale)	0	0
<b>Total cost of goods and services</b>	<b>118,414,707,130</b>	<b>138,864,225,323</b>

**Note 10: Consumption of Property, Plant and Equipment (Fixed Assets)**

As explained in accounting policy (15), property, plant and equipment (physical assets) are expensed in the year of purchase i.e. they are depreciated at 100% in the year of purchase using the cash basis of accounting.

	30 June 2019 (Shs)	30 June 2018 (Shs)
Non-Residual buildings	0	0
Residential buildings	0	0
Roads and bridges	0	0
Transport equipment	0	0
Machinery and equipment	0	0
Furniture and fittings	0	0
Other fixed assets	0	0
<b>Total value of property, plant and equipment expensed</b>	<b>0</b>	<b>0</b>

**Note 11: Subsidies**

Subsidies paid during the year are summarized as below:

	Actuals 30 June 2019 (Shs)	Actuals 30 June 2018 (Shs)
To public corporations	0	0
To private enterprises	0	0
To private individuals	0	0
<b>Total subsidies for the year</b>	<b>0</b>	<b>0</b>

**Note 12: Transfers to other Organizations**

Transfers made during the year are summarized as below:

	Actuals 30 June 2019 (Shs)	Actuals 30 June 2018 (Shs)
Transfers to foreign Governments	0	0
Transfers to International Organisations	0	0
Transfers to other government units	0	0
To resident non-government units	0	0

<b>Total transfers</b>	<b>0</b>	<b>0</b>
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### **Note 13: Social Benefits**

Social benefits paid during the year comprise

	Actuals 30 June 2019 (Shs)	Actuals 30 June 2018 (Shs)
Pension	0	0
Employer Social benefits	0	0
<b>Total social benefits</b>	<b>0</b>	<b>0</b>

### **Note 14: Other Operating Expenses**

These comprise

	Actuals 30 June 2019 (Shs)	Actuals 30 June 2018 (Shs)
Property expenses other than interest	0	0
Miscellaneous other expenses- current	99,194,403	34,000,000
Miscellaneous other expenses- capital	0	0
<b>Total other operating expenses</b>	<b>99,194,403</b>	<b>34,000,000</b>

### **Note 15: Foreign Exchange Gains and Losses**

During the year, foreign exchange losses and gains were as follows

	30 June 2019 (Shs)	30 June 2018 (Shs)
Realized loss(gain) (SFP)	0	0
Un/ realized loss (gain)(SCE)	0	0
<b>Net foreign exchange (gains) /losses</b>	<b>0</b>	<b>0</b>

### **Note 16 : Finance costs**

	Schedule	30 June 2019 (Shs)	30 June 2018 (Shs)
Interests on external debts (external borrowings)		0	0
Interest on other domestic borrowings		0	0
<b>Total finance costs</b>		<b>0</b>	<b>0</b>

### **Note 17: Transfers to treasury**

These comprise transfers back to consolidated Funds of unspent balances from the respective expenditure accounts, transfers of Non-tax revenue collected, upset salaries, among others

	30 June 2019 (Shs)	30 June 2018 (Shs)
Non tax revenue collected	18,667,614,038	20,326,979,954
Unspent Salary balances	0	0
Expenditure account balances	0	0

<b>Total for the year</b>	<b>18,667,614,038</b>	<b>20,326,979,954</b>
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#### Note 18: Cash and cash equivalents

	30 June 2019 (Shs)	30 June 2018 (Shs)
<b>DOMESTIC</b>		
Revenue accounts	3,008,744	0
Expenditure accounts	752,000	0
Project accounts	0	0
Collection accounts	27,870,431	926,432,111
Cash in transit	31,323,208	0

	30 June 2019 (Shs)	30 June 2018 (Shs)
Cash at hand- Imprest	0	0
Others	0	0
<b>Sub-total cash and bank balances- domestic</b>	<b>62,954,383</b>	<b>926,432,111</b>
<b>FOREIGN</b>		
Revenue Accounts	0	0
Project Accounts	0	0
Expenditure Accounts	0	0
Collection accounts	0	0
Cash in transit	0	0
Cash at hand- Imprests	0	0
Others	0	0
<b>Sub-total cash and bank balances- foreign</b>	<b>0</b>	<b>0</b>
<b>Total cash and bank balances</b>	<b>62,954,383</b>	<b>926,432,111</b>

#### Note 19: Receivables

Comprise the following receivables at the end of the year net of any provision for receivables doubtful of recovery.

	30 June 2019 (Shs)	30 June 2018 (Shs)
<b>DOMESTIC</b>	<b>0</b>	<b>0</b>
Loans(short-term)-others	0	0
Advances	1,856,679,595	1,475,280,749
Outstanding letters of credit	0	0
Other accounts receivable	0	0
<b>Total domestic receivables</b>	<b>1,856,679,595</b>	<b>1,475,280,749</b>
<b>FOREIGN</b>	<b>0</b>	<b>0</b>
Loan(short-term)-others	0	0
Advances	0	0
Other accounts receivable	0	0
<b>Total foreign receivables</b>	<b>0</b>	<b>0</b>
<b>Total receivables</b>	<b>1,856,679,595</b>	<b>1,475,280,749</b>

Less provision against doubtful accounts	0	0
<b>Net receivables</b>	<b>1,856,679,595</b>	<b>1,475,280,749</b>

**Note 20: Inventories**

Comprise strategic stock and other inventories purchased which have not been expensed

	30 June 2019 (Shs)	30 June 2018 (Shs)
Strategic stock-petroleum products	0	0
Other inventories (goods purchased for resale)	0	0
<b>Total inventories</b>	<b>0</b>	<b>0</b>

**Note 21: Investments**

Comprise investments as follows:

	30 June 2019 (Shs)	30 June 2018 (Shs)
Securities other than shares (long term)-domestic	0	0
Shares and other equity- domestic	0	0
Securities other than shares - foreign	0	0
<b>Total investments</b>	<b>0</b>	<b>0</b>

**Note 22: Non-Produced Assets**

	30 June 2019 (Shs)	30 June 2018 (Shs)
Land	0	0
Cultivated	0	0
Other naturally occurring Assets	0	0
<b>Total Non- Produced Assets</b>	<b>0</b>	<b>0</b>

The Net Book Value of the Authority's leased land as at 30 June 2019 is Shs. 3,145,590,237. The Assets were depreciated on straight line basis taking into account the years left to expiry of the lease.



# Annual Report 2018/19



Uganda Coffee  
Development Authority