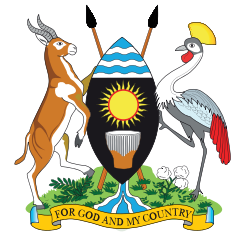




Uganda Coffee
Development Authority



MINISTRY OF AGRICULTURE, ANIMAL
INDUSTRY AND FISHERIES

2014-15

ANNUAL REPORT

VOLUME 24

OCTOBER 01, 2014 – SEPTEMBER 30, 2015



Hon. Tress Bucyanayandi
Minister of Agriculture, Animal Industry & Fisheries

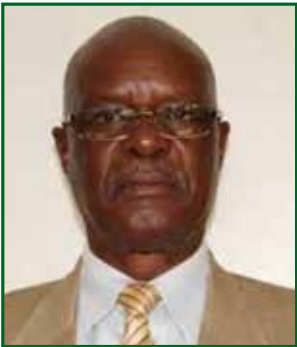


Hon. Vincent Bamulangaki Sempijja
Minister of State for Agriculture

UCDA Board of Directors



Mr. Perez Bukumunhe
Board Chairman



Hon. Gerald Ssendaula
Representative of Coffee
Farmers



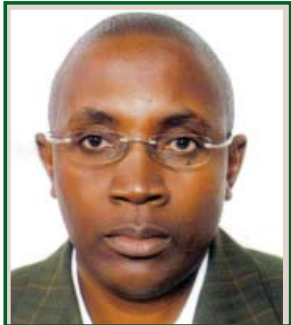
Mr. Hannington Karuhanga
Representative of Coffee
Exporters



Mr. Valentine Okot Otanu
Representative of Coffee
Farmers



Mr. Robert Waggwa Nsibirwa
Representative of Coffee
Exporters



Hajj Ayub K. Kalule
Representative of Coffee
Processors



Mrs. Rose Kato
Representative of Coffee
Processors



Mr. Silver Ojakol
Commissioner, External
Trade Representative
of MITC



Dr. Albert Musisi
Assistant Commissioner,
Budget Representative
of MFPED



Mrs Beatrice Byarugaba
Commissioner, Crop Production &
Marketing, MAAIF



Mr. Andrew Kilama Lajul
Board Secretary/Head of
Finance & Administration



Mr. Henry Ngabirano
Managing Director

TABLE OF CONTENTS

Table of Contents	ii
FOREWORD	v
ACRONYMS / ABBREVIATIONS.....	vii
Executive Summary	ix

Chapter One **1**

Coffee Market Performance	2
1.0 General Performance	2
1.1 Coffee Procurement	3
1.2 Closing Stocks.....	3
1.3 ExternalMarket.....	4
1.3.1. Coffee Export Performance.....	4
1.3.2 Coffee Exports by Type and Grade.....	7
1.3.3 Realized Prices at Export Level.....	8
1.3.4 Export Performance by Individual Companies.....	9
1.3.5 Individual Coffee Buyers' Performance.....	10
1.3.6 Coffee Exports by Destination.....	12
1.4 Internal Marketing.....	12
1.4.1 Registered Post-harvest Industry Players.....	12
1.4.2 Price Movements.....	13
1.5 Global Outlook.....	13

Chapter Two **15**

Quality and Regulatory Services	16
2.0 Introduction.....	16
2.1 Quality Improvement.....	17
2.2. Quality Assurance.....	17
2.2.1 Overall cup performance.....	17
2.3. Coffee Referred For Reprocessing.....	17
2.4. Training programs.....	17
2.5. Generic promotion, Value addition and Promotion of Domestic Coffee Consumption ...	18
2.5.1. Promotion of Domestic Coffee Consumption	18
2.5.2. Participation in International Trade Fairs & Exhibitions	19
2.5.3 Beijing Chenao Coffee Company Ltd (BCCCL)	22
2.5.4 Development of protocols for the Fine Robusta Coffees for the specialty market	22
2.5.5 Development of a Uganda Specialty Coffee Profile	22
2.5.6. Centre Of Robusta Excellence (CORE) Project	23

Chapter Three **25**

Coffee Production Programmes.....	26
3.0 Introduction	26
3.1 Promotion of Planting Material Generation	27
3.2 Management of Diseases and Pests	27
3.3 Promotion of Coffee Replanting	27
3.4 Coffee Rehabilitation	28
3.5 Support to Coffee Development in Northern Uganda	28
3.6. Promotion of Sustainable Coffee Production Initiatives	29
3.8 Provision of Technical Extension Services and Quality Enhancement	29

Chapter Four

31

Coffee Research	32
4.0 Introduction	32
4.1. Coffee Variety Improvement	33
4.1.1 Arabica Coffee.....	33
4.1.1.1 Arabica Coffee Germplasm collection, evaluation and maintenance	33
4.1.1.2 Development of Arabica coffee varieties with resistance to leaf rust, CBD, high yield and desired market attributes	33
4.2. Development of Robusta coffee varieties with resistance to CWD, coffee leaf rust and desired quality	33
4.2.1 Robusta Coffee Germplasm collection, evaluation and maintenance	33
4.2.2 Development of Robusta coffee varieties with resistance to CWD, Red blister disease, and high yields and desired market attributes.....	34
4.2.3 Development of an efficient and effective coffee seed system.....	34
4.2.3.1 Production of quality planting materials of the 7 CWD resistant Robusta as well as seed for Arabica coffee	34
4.3 Enhancing quality planting production through development	35
4.4 Coffee Integrated Pest Management (IPM)	35
4.4.1 Towards understanding, development and promotion of sustainable management options for the black coffee twig borer (BCTB)	35
4.4.1.1 Information on spread and impact of BCTB in the different coffee agro-ecologies of Uganda	35
4.4.2. Screening chemicals for control of BCTB and associated fungal complex	36
4.4.3 Developing trapping and repellent technologies for BCTB Management	36
4.4.4 Evaluating predators and parasitoids for BCTB management	37
4.5 Development of sustainable technologies for management of coffee wilt disease	37
4.6 Coffee Production Systems	37
4.6.1 Diagnosis of coffee-shade tree systems in Uganda	37
4.7 Promotion of contemporary technologies for improving coffee production and quality	38
4.7.1 Up-scaling and out-scaling coffee IPM technologies through FFSs	38
4.7.2 Responding to farmer solicited technical backstopping	39
4.7.2.1 Diagnosis of reported wilting of Robusta coffee in Buikwe district and Arabica coffee in Mbale district	39

Chapter Five

41

Finance and Administration	42
5.0 Introduction	42
5.1 Corporate Governance - Board Of Directors	42
5.2 Organisational Structure and Staffing Capacity	42
5.3 Staff Development	44
5.4 Compliance With Regulatory Frameworks.....	44
5.5 Partnerships And Special Projects	44
5.6 Intergovernmental Meetings	45
5.7 Management Of Assets.....	46
5.8 Shared Corporate Value, Memberships And Subscriptions.....	46
5.9 Field Visits Under Monitoring And Evaluation.....	46
Statistical Appendices	47
Financial Statements	56

FOREWORD

The Coffee sub-sector has continued to register reasonable successes in spite of the devastating effects of climatic change (CC). They have caused reduction in crop harvests leading to lower exports for the second consecutive year. UCDA welcomes support from the Delivery Unit of the Office of the Prime Minister in the effort to find mitigating effects of the CC as part of the 'Coffee 2020 strategy' which targets production of 20 million bags of green beans by 2020. The game plan is, in part, to generate and plant 300 million seedlings per year for 3 years from Financial Year 2015/16-2017/18.

Earlier in the year, with assistance from United States Agency for International Development (USAID) Feed the Future (FtF), Enabling Environment for Agriculture Activity (EEA) program, UCDA played a critical part in the development of the National Coffee Strategy 2015/16-2019/20 to operationalize the National Coffee Policy (NCP) through nationwide consultations. A USAID assisted 3-year UCDA Corporate Plan 2015/16-2017/18 was also concurrently developed. We are very grateful to this contribution. aBi Trust also provided financial and technical assistance towards capacity building of the personnel and equipment elements to making Uganda a Centre Of Robusta Excellence (CORE). With CORE in place, the ultimate aim of profiling Uganda's unique coffees will be achieved more quickly.

During the year, Uganda hosted the 54th Annual General Assembly (AGA) of the Inter African Coffee Organization (IACO) as well as the Second African coffee symposium entitled 'Unlocking the potential of the African coffee industry'. A number of topical papers were presented and discussed and various exhibitions staged by more than 20 organizations were held. A Kampala Declaration was passed during the Annual General Meeting (AGM).

During the Coffee Year 2014/15, UCDA continued to fulfill its mandate of developing, regulating and promoting Uganda's coffee industry. Thrust was hinged on the National Coffee Policy; Productivity and Production, Quality Improvement, Research and Information dissemination.

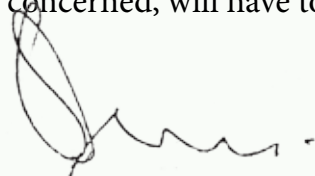
In the Coffee Year 2014/15, Uganda exported 3.45 million 60-kilo bags worth US\$ 410 million compared to 3.5 million 60-kilo bags valued at US\$ 394 million the previous year (2013/14) lower than 3.58 million 60-kilo bags worth US\$ 433 million exported in Coffee Year 2012/13. Just like last year, the drop was on account of the drought which affected some major coffee growing areas south of the equator.

In line with the Sustainable Development Goals (SDGs) approved by UN member countries in September 2015, UCDA continues to engage other stakeholders to address the changing weather patterns associated with prolonged drought and dry periods.

UCDA has continued to demonstrate rain water harvesting and irrigation technologies through support to farmers. However, the adoption rate is relatively low due to the high cost of irrigation technologies and mindset of some farmers. It is important to benchmark our operations with other countries that have similar small-scale needs and circumstances. We recorded last year that a water-smart national agriculture policy was urgently needed. In line with this, I am delighted that the academia and Ministry of Water & Environment carried out a research on the Cost Benefit Analysis (CBA) of Climatic Change which reflects consequences for non-adoption and adaptation to CC.

UCDA and the entire coffee sub-sector have continued to receive support from various development partners and other stakeholders. I thank all of them for the substantial investments (both technical and financial) they have made in the sub-sector.

The UCDA directors have stayed on course to guide policy and monitor implementation of related activities. I commend Board for the zeal, enthusiasm and professionalism within which it has considered Authority issues. Management and staff, while very stretched in number, have done their full bit and I am grateful to all of them. Jointly and severally, they provide technical and professional advice to stakeholders in the coffee value chain without reservation. For the 2020 programme to succeed, however, many more technical staff especially in the area of provision of extension services is concerned, will have to be recruited urgently.



Perez Bukumunhe FCIB
UCDA Board Chairman

ACRONYMS / ABBREVIATIONS

4Cs	Common Code for Coffee Communities
ABC	Africa Barista Championship
ACSS	African Crop Science Society
AFCA	African Fine Coffees Association
AGT	Agro Technology Laboratory
BAPS	Best Agronomic Practices
BCCCL	Beijing Chenao Coffee Co. Ltd
BCTB	Black Coffee Twig Borer
BCU	Bugisu Co-operative Union
BOD	Board of Directors
CBN	Community Based Nurseries
CIRAD	French Agricultural Research and International Cooperation and Organisation
CQI	Coffee Quality Institute
CSO	Civil Society Organization
COSASE	Committee on Statutory Authorities and State Enterprises
CVC	Coffee Value Chain
CWD	Coffee Wilt Disease
DFI	District Farm Institute
DAOs	District Agricultural Officers
DLG	District Local Government
DSIP	Development Strategy and Investment Plan
DGAL	Directorate of Government Analytical Laboratory
EU	European Union
FAQ	Fair Average Quality
FFS	Farmer Field School
GHPs	Good Handling Practices
GITC	Guangdong Innovative Technology College
GMPs	Good Manufacturing Practices
GPHHPs	Good Post-Harvest Handling Practices
GPS	Global Positioning System
IACO	Inter-Africa Coffee Organization
ICA	International Coffee Agreement
ICC	International Coffee Council
IUIU	Islamic University In Uganda
ICO	International Coffee Organization
IITA	International Institute of Tropical Agriculture
IPM	Integrated Pest Management
IT	Information Technology
IRD	Institute for Development Research
KARI	Kawanda Agricultural Research Institute
KIU	Kampala International University
KYU	Kyambogo University
LEAD	Livelihood and Enterprises for Agricultural Development

LGs	Local Governments
MAAIF	Ministry of Agriculture, Animal Industry & Fisheries
MC	Moisture Content
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MUK	Makerere University Kampala
MUST	Mbarara University of Science and Technology
NAADS	National Agricultural Advisory Services
NaCORI	National Coffee Research Institute
NaCRRI	National Crop Research Resources Institute
NARO	National Agriculture Research Organization
NBS	National Broadcasting Services
NCS	National Coffee Strategy
NEDS	National Export Development Strategy
NGOs	Non-Governmental Organisations
NUCAFE	National Union of Coffee Agribusinesses and Farm Enterprises
OT	Out-turn
OWC	Operation Wealth Creation
PFA	Prosperity For All
PHHPS	Post-Harvest Handling Practices
PMU	Privatization Monitoring Unit
PPDA	Public Procurement and Disposal of Assets Authority
RFA	Rain Forest Alliance
R&G	Roast and Ground
SCAA	Specialty Coffee Association of America
SCAE	Specialty Coffee Association of Europe
SCAJ	Specialty Coffee Association of Japan
SPS	Sanitary and Phytosanitary Standards
TC	Tissue Culture
UCDA	Uganda Coffee Development Authority
UCF	Uganda Coffee Federation
UCU	Uganda Christian University
UF	University of Florida
UMA	Uganda Manufacturers Association
UNAA	Ugandan North American Association
UNADA	Uganda National Agro-Input Dealers Association
UNCTC	Uganda National Cup Tasters Championship
UNCC	Uganda National Cup-Tasters Competition
UNCS	Uganda National Coffee Strategy
UNBS	Uganda National Bureau of Standards
UBC	Uganda Broadcasting Corporation
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
WBC	World Barista Championship
WFD	World Food Day
WTO	World Trade Organization
ZARDI	Zonal Agricultural Research Development Institute

EXECUTIVE SUMMARY

Marketing

- 1.1 Coffee exports for coffee year ended September 30, 2015, amounted to 3.45 million 60-kilo bags (207,351 tonnes) valued at US\$ 410.55 million slightly down from 3.5 million bags (209,990 tonnes) worth US \$ 393.92 million exported the previous year.
- 1.2 Nearly 70% of total exports were imported by European countries compared to 68% the previous year while 17% down from 19% the previous year were exported to Africa Asia took 7% slightly down from 8% and the rest went to America, Mexico and Australia.
- 1.3 The weighted average export price at export level stood at US \$ 1.98 per kilo 10 cents higher than US \$ 1.88 realized in 2013/14. The weighted average export price for Arabica stood at \$ 2.78 per kilo 42 cents higher than US\$ 2.36 per kilo realized in the previous year.
- 1.4 A total of 591,406 bags of coffee (Robusta - 415,373 bags and Arabica - 176,326 bags) were in stock at various levels within the supply chain, with over 95% held at exporters' premises in anticipation of higher prices in the future.
- 1.5 Ten top foreign buyers of Uganda coffee held a market share of 65% compared to 59% the previous year. This reflects increasing concentration at the buyer level but also indicates buyers' confidence of Uganda as a reliable origin.
- 1.6 A total of 184 buyers sought for Uganda coffee during the year. Out of these, 60 (33%) buyers bought both types of Coffee (Robusta and Arabica) from Uganda, 74 (40%) bought Robusta coffee only and 47 (26%) bought Arabica coffee only, reflecting an appreciable demand for both types of coffee from buyers.

Quality and Generic Promotion

- 2.1 At the exporter level, 727 FAQ coffee delivery samples (545 Robusta and 182 Drugar) were analyzed for moisture content, screen retention and outturn. The moisture content,

screen retention above screen 15 and out turn were 13.28%, 78.99%, 82.00% respectively for Robusta export delivery samples. While for Drugar samples, the moisture content, screen retention above screen 16, out turn and defects were 13.19%, 73.37% and 79.41% respectively. The washed Arabica coffees performed better in all parameters compared to all the other coffees.

- 2.2 Evaluation of the coffee in the field reflected good out-turn above 70% for both Arabica and Robusta and the moisture content was maintained below the 14% limit, supporting the need to maintain sensitization on proper drying techniques.
- 2.3 In a bid to enforce Coffee Regulations, 9 field compliance checks were conducted in 14 districts and carried out 6 task forces in Northern Central South-Western and Eastern regions.
- 2.4 The percentage of clean cups was maintained at high levels. Washed and certified Arabica coffee recorded the best cup largely attributed to establishment and strict observance of post-harvest procedures in addition to the certification process prescribing ethical, health and environmental standards.
- 2.5 A total of 1,829 farmers, processors, traders and political leaders were trained in Best Agronomic Practices (BAPs), Good Post Harvest Handling Practices (GPHHPs), value addition through group processing and regulations. Cupping sessions were also held to demonstrate how practices lead to cup quality. These trainings will enhance the quality of coffee and thus improve the livelihoods of the growers. In addition, 15 roasters and 9 brewers were trained in roasting, brewing techniques, quality control of raw materials, sensory analysis, grinding, packaging and records management.
- 2.6 A total of 77 baristas from cafes, hotels and restaurants were trained in general coffee knowledge and brewing techniques; 47 baristas (20 baristas were prepared for the 8th Uganda National Barista Championship (UNBC)) and 30 baristas in Mbarara (10 practicing and 20 new baristas). Fifteen (15) finalists were supported and trained in

- brewing skills & 22 Judges calibrated by an international Judge.
- 2.7 At processor level, 335 primary processors and traders were trained in 10 districts on best handling and processing practices, sampling and sample preparation, FAQ physical grading, cupping techniques and coffee regulations
- 2.8 To promote domestic coffee consumption, local trade fairs and exhibitions were held. UCDA also operated a coffee bazaar at 9 monthly corporate league meetings as well as demonstrating good brewing practices at coffee shows held in 17 districts.
- 2.9 In addition, UCDA supported Kyambogo University Coffee Club which televised a programme on NBS TV under the theme “REVIVING THE COFFEE SPIRIT IN YOU”. UCDA also established a coffee club at Uganda Christian University (UCU) Mukono and by the end of the year 4 universities had been engaged to constitute coffee clubs namely Mbarara University of Science and Technology (MUST), Islamic University In Uganda (IUIU), Gulu University and Kampala International University (KIU Bushenyi campus).
- 2.10 UCDA held “Coffee on the Road” campaign in 3 regions. These shows attracted 4,580 participants. Under Coffee and Health program, 5 workshops were held attracting 106 participants (health workers, Local Government officials and sector players) in 5 districts in November 2014 during the Inter African Coffee Organisation (IACO) exhibition week. The lead presenter was Dr. David Nini, a renowned coffee expert from Israel who featured in four (4) talk shows on health benefits of drinking coffee telecasted on different TV stations: UBC, TV West and NTV (twice).
- 2.11 Twenty participants were trained in cupping skills in preparation for the 3rd Uganda National Cup Tasters Championship (UNCTC) held at the Serena Kampala Hotel where the winner was M/s. Brenda Kemigisha, UCDA Quality Controller emerged as the winner and the first runner up was Mr. Emmanuel Tumwesigye of LD Commodities.
- 2.12 UCDA promoted coffee at the 12th African Fine Coffee Conference and Exhibition organized by Africa Fine Coffees Association (AFCA) held in Nairobi, Kenya which attracted more than 1,000 attendees.
- 2.13 Uganda hosted the 1st Coffee Origin tour attracting 11 coffee buyers from USA. Uganda specialty and fine coffees were cupped at different laboratories including UCDA (Lugogo and the Centre for Robusta Excellence Iganga) and at Coffee Exporters premises.
- 2.14 Uganda hosted the 54th Inter African Coffee Organization Annual General Assembly and 2nd African Coffee Symposium themed “Unlocking the Potential of the African Coffee Industry” at the Kampala Serena Conference Centre in November 2014. The Symposium attracted 300 participants comprising of Medics, Academicians, Government and Non-Government Organizations, Civil Society Organizations (CSOs), Coffee Associations and Foreign Dignitaries. A documentary on Uganda’s coffee was showcased.
- 2.15 Coffee was exhibited at the 27th Specialty Coffee Association of America (SCAA) exposition in Seattle, Washington, USA. Three cupping sessions of specialty & Fine Robusta coffee were held that attracted roasters, buyers and consumers from a number of countries who appreciated Uganda’s Robusta Coffee. Exports to USA and South America have increased as a result of these promotional efforts.
- 2.16 In collaboration with Café Motta Coffee Roasters, UCDA promoted Uganda coffee at the Milano Expo, which ran from May to September 2015. It was climaxed by a Uganda national day presided over by the Minister of Trade, Industry and Cooperatives, Hon. Amelia Kyambadde and the State Minister of Finance for Investment, Hon. Gabriel Ejedra Aridru. The Uganda pavilion showcased exportable green coffee, finished coffee products; brewed coffee and gave out R&G coffee packets to attendees for further tasting and distributed promotional materials.
- 2.17 Uganda coffee was promoted at the Specialty Coffee Association of Japan (SCAJ) exhibition and conference held at Tokyo Big Sight West Hall 4 in Tokyo, Japan themed “Invitation to diversity”. The expo attracted coffee buyers, equipment manufacturers, roasters, distributors and retailers in Japan and Far East countries. Information on the coffee trading and investment in Uganda was provided.
- 2.18 UCDA’s joint venture in China (BCCCL)

- promoted Uganda coffee at 7 trade fairs: one-day commodities' Bazaar at Buiyun Airport, Guangdong Innovative Technology College (GITC), Fujian Province's 3-day Ningde Exhibition 2015, Milano Tutto FOOD Expo 2015 Italy, Food Hospitably World China 2015, 23rd Consulates' Trade Exhibition 2015, Guangzhou and the official launch of Wuhan Coffee Museum Expo.
- 2.19 BCCCL organized the China Business Forum under the Theme: "Fostering Uganda-China Economic Co-operation" at the Emerald Restaurant and was addressed by H.E Y.K Museveni, the President of the Republic of Uganda. It attracted 45 participants who included Green coffee traders, roasters, coffee shop operators, coffee consumers and logistics firms.
- 2.20 Five (5) workshops on standards were held to inform the development of Specialty Robusta Coffee Standards. R-certification training workshops were held in Robusta Fine coffee grading techniques, attracting 15 participants who acquired skills in descriptive cupping, physical coffee grading and roast coffee matching. Thirteen (13) participants were certified as Star Cuppers, 2 certified as R-graders and one assistant instructor was upgraded to a lead instructor.
- 2.24 A 3 year project funded by aBi-Trust and UCDA to make Uganda a Center Of Robusta Excellence (CORE) in its second year of implementation in which 30 micro centers located in a number of districts have been established. The major objectives of the project are: (i) To build capacity both internally and externally so as to become a point of reference for Robusta coffee (ii) To improve the quality of Robusta coffee by ensuring best practices with respect to Sanitary and Phytosanitary Standards (SPS) and food safety principles and application of standards (iii) To promote the production of Robusta through introduction of technology, carrying out research and development, and deliberate promotion of Robusta growing (iv) To strengthen promotion of marketing of Uganda Robusta through information sharing and exchange, education and training as well as communication so as to market the available coffee varieties.
- 2.25 The following have been achieved: profiling whereby mapping out of coffee production areas and describing their distinctive characteristics according to altitude, rainfall and soil type. In this program, around Mt. Rwenzori Area, Rukungiri, Rubirizi, Ibanda, Kisoro, West-Nile and around Mt Elgon area.
- 2.26 Physical, sensory and soil analyses were carried out: Physical-Bean density - Average 0.7582gm/range (0.72544- 0.7582); Bean size above SC 1500 range from 52.99 to 88.43 %; Common defect - insect defect beans (0-37 beans in 100gm). Sensory-Common flavor notes were chocolate, caramel, and citrus. Partial results of biochemical analysis of 320 coffee samples and nutrient analysis of 421 soil samples were submitted.
- 2.27 By the year's close, Terms of Reference (TOR) for hiring a traceability system developer had been finalized as well as two research proposals on fermentation and post-harvest written. In addition, characterization and valorization of Robusta germplasm and research collaborations were being carried out in conjunction with the National Coffee Research Institute (NaCORI).
- 2.28 Specialized zip-able drying bags and 90 drying beds for simple storage were distributed to demo farms, mini-pilot wet processing equipment and 3 mini processors delivered to regional centers as well as 14 hand pulpers for distribution to various farmer groups.

Production

- 3.0 On production of clean planting material generation, 57.2 MT of Elite Robusta and Arabica seed were distributed to private nursery operators through field officers, Local leaders, Political leaders, organized farmer associations and exporter based farmer groups. This potentially raised 114.4 million seedlings.
- 3.1 Multiplication of Coffee Wilt Disease Resistant (CWDr) lines is being carried out by various nursery operators. By the end of the year, 151 mother gardens had been established, with a total of 125,700 mother bushes. Out of these, 79 were given support in form of equipment and materials to construct shades. In addition, 44 operators used the generated cuttings to expand their respective mother gardens.
- 3.2 Tissue Culture – a contract was secured with a Private firm FICA Kyenjojo for generation

- of 500,000 tissue culture seedlings.
- 3.3 Seed gardens at Ngetta Zonal Agricultural Research and Development Institute (ZARDI) in Lira District, Buginyanya Coffee Research Station (Bulambuli District), Zombo (Zombo District) were supported. These sites were able to generate 3,560 Kgs of seed. These sites have ensured a sustainable source of clean and certified seed.
- 3.4 As part of the Strategy to increase coffee production, communities and farmers were mobilized for sustainable coffee planting. This involved collaboration with District Local Governments (DLGs) and Operation Wealth Creation (OWC), and other sub sector stakeholders under various arrangements. The following were achieved:
- A total of 85.881 million seedlings were planted under various initiatives benefiting a total of 435,474 households.
 - A total of 460,000 seedlings were planted by 39 commercial farmers.
- 3.5 Several interventions were put in place to address infestations caused by the Black Coffee Twig Borer, Coffee Leaf Rust, Caterpillars, Stem Borer, Coffee Berry Borer and Red Blister Disease.
- 3.6 Surveillance reports indicated a slight decline in the rate of spread and infestation by the Black Coffee Twig Borer. Spraying against the Black Coffee Twig Borer was done in all the Robusta regions. In this regard, a total of 7,400 liters of chemicals were procured; 3,200 liters used to spray 3,600 acres, benefitting 5,360 households. In addition, 34 Integrated Pest Management (IPM) demonstration sites were maintained in 34 districts as well as fifty (50) motorized pumps were procured to ease and fasten the speed of spraying and create efficient use of the chemicals.
- 3.7 In order demonstrate the benefits of rehabilitating old coffee trees, 250 demonstration plots (1 acre each) were established by farmers for yield improvement and to act as centers of training and knowledge acquisition.
- 3.8 Fifty (50) farms were supported to act as demonstrations on sustainable soil management practices. This support included: establishment of tree nurseries, sensitization and training for farmers as well as acting as learning centers for adaptation to climate change.
- 3.9 Fifty (50) farmers were supported with domestic water harvesting equipment (water tanks and polythene sheets). This ensured water availability for coffee and domestic use, besides acting as demonstrations to other farmers.
- 3.10 In regard to promotion of coffee development in Northern Uganda to ensure coffee as a perennial cash crop grown on a commercial basis and incorporating the coffee/banana and cover crops farming in the existing farming system, the following were achieved:
- Eight (8) sensitization workshops and seminars held for local leadership and other stakeholders.
 - Eighteen (18) radio programs (540 minutes) were aired on different radios in the region. The messages addressed all activities along the coffee value chain.
 - Fourteen (14) farmer groups were formed while six (6) – one day workshops were held to build capacity of farmer group leaders in group dynamics to enable them manage groups and associations more effectively and efficiently.
- 3.11 To promote sustainable coffee production, the following were achieved:
- Twenty nine (29) Farmer groups practicing sustainable practices were registered.
 - Ten (10) farmer groups were trained in all aspects of the sustainable coffee production systems.
 - Support was given to Gumutindo Cooperative Society to cover certification fees for Organic / Fair trade.
 - A Soil analysis report was submitted by University of Florida (UF) highlighting soil nutrient status across the country.
- 3.12 On coffee extension liaison, the following were achieved:
- Four (4) inter regional field trips were undertaken by farmers to share knowledge and adoption of better farming practices from their counterparts in other regions.
 - Twenty eight (28) coffee shows were held in 28 districts.
 - A total of 382 seminars were carried out benefitting 38,640 farmers (7,760 women) in all coffee growing districts.
 - Fifteen (15) Radio stations were used to

air 5,400 minutes of educative messages in 5 major regional languages emphasizing key issues such as pest and disease outbreaks and their containment.

- Twelve (12) National Steering Committee (NCS) meetings of the Coffee Platform were held. Some of the key achievements were: finalization of the extension materials; implementation of the pilot district extension project; and evaluation of the performance of the Coffee Platform which was rated very highly and could be replicated in other countries.
- Twenty four (24) district coffee platforms were facilitated to sensitize farmers and processors on quality at post-harvest.
- The Annual Stakeholder Meeting of the Coffee Platform was held in December 2014 attracting over 250 participants with a number of presentations which hinged on the coffee value chain made and discussed.

3.12 In terms of internal marketing, the following were achieved:

- A total of 536 buying stores were registered and licensed
- A total of 441 primary processing plants licensed.
- 58 companies registered as exporters.
- 36 Export grading factories were licensed
- 13 roasters were also registered
- Thirty six (36) workshops were held for traders, processors and buyers, attracting 410 participants focusing on good post handling practices.

3.13 To improve quality in Eastern, Central, South –Western and Western Regions; 4 Multi Stakeholder task forces were set up in addition to 2 regional task forces conducted in West Nile Sub Region and Western Region.

Research

4.1 During the period under review, 19 lines [17 Elgon A lines and 2 CB were undergoing evaluation in multi-location trials in Kapchorwa, Bulambuli and Sironko since 2014 and in Kyenjojo and Kabale Districts in September 2015.

4.2 In a bid to introduce desired genes, 53 F1 Arabica hybrids were planted in trials at Buginyanya Zonal Agricultural Research and Development Institution (ZARDI), Bugusege and National

Coffee Research Institute (NaCORI) Kituza for assessing their responses to Coffee Leaf Rust (CLR), Coffee Berry Disease (CBD) and other diseases in addition to yield and quality.

4.3. To ensure Robusta coffee breeding, 43 new CWD-r lines and 17 Robusta coffee hybrid progenies were undergoing evaluation on-station at NaCORI Kituza and on-farm in various locations by the end of the coffee year. Of these, lines (J24/13/20/4 and J94/2/64/1) showed resistance to leaf rust in all trials. Varieties JB109.4/5/1, J24/13/20/4, J1/14/21/1, UFCT and 3/15/1 had highest mean canopy diameter.

4.4 Two good performing clones 2/15/1 and 245/21/5 had been selected by the close of the year and would be submitted for release.

4.5 NaCORI generated CWDr 38,114 plantlets using tissue culture and 29,515 plants using nodal cuttings and distributed them to nursery operators. In addition, 450 Kg of Arabica seed and 15,000 seedlings of Arabica (SL14 and KP423) were raised and distributed to nurseries and farmers respectively.

4.6 Regarding Arabica Coffee germplasm collection, evaluation and maintenance, some of the materials from 117 collections from a number of countries since 1950 were undergoing evaluation by the year's close with the aim of identifying lines that can be released as varieties.

4.7 Development of Robusta coffee varieties with resistance to Coffee Wilt Disease (CWD), coffee leaf rust and desired quality continued. Work on screening of different primer bands for specificity to CWD resistance identified 11 bands that are specific to CWD resistance which are awaiting sequencing. In the subsequent year 2015/16, field tests of the CWD detection protocols for both infected soil and plant parts diagnosis would be completed and a toolkit made available. In addition, a distribution map of coffee diseases and an updated package would be disseminated.

Administration and Governance

5.1 In Coffee Year 2014/15, our major focus was on laying foundations for strengthening

- institutional capacity for better responsiveness to stakeholder demands, refocusing our strategic foundations, as well as safeguarding corporate governance principles.
- 5.2 UCDA developed its new three-year Corporate Plan for the period 2015/16 to 2017/18 intended to operationalize the Uganda National Coffee Strategy (UNCS), the National Development Plan 2 (2015/16-2019/20) and Uganda's Vision 2040.
- 5.3 In keeping with the provisions of the Statute, UCDA ensured that its revenue was sufficient to meet its planned expenditure. The Authority received funds totaling to Shs. 46.408 billion to implement its programs.
- 5.4 The Board reviewed the Position paper for the revision of coffee laws and regulations. Furthermore, it held its annual retreat and the Directors were trained in corporate governance principles as well as performance evaluation.
- 5.5 In the period, a total of 92 members of Staff were maintained on the UCDA structure, under the four departments of Production, Quality and Regulatory Services, Strategy and Business Development, and Finance and Administration.
- 5.6 To further strengthen the staffing capacity for better service delivery, the Board approved a new organizational structure with new departmental functions and positions, and more staff. The staffing capacity was strengthened to 138, although the recruitment would be phased over the three-year period of the new corporate plan.
- 5.7 Uganda participated in the 114th and 115th sessions of the International Coffee Council (ICO) in March and September 2015 respectively.



Mr. Henry Ngabirano
Managing Director



Mr. Andrew Kilama Lajul
Board Secretary/Head of Finance & Administration



Mr. Norman Mutekanga,
Manager Strategy and Business
Development



Mr. Edmund Kananura,
Quality & Regulatory Services
Manager



Mr. Francis Chesang,
Production Manager



Mr. James Kizito-Mayanja,
Principal Information Officer



Mr. Edward Lutakome Ssentamu,
Principal Development
Officer, Central



Ms. Angelita Musimenta,
Principal Human Resource Officer



Ms. Nina Nassuna
Principal Accountant



Mr. Frederick Sewaya,
Principal Development
Officer, Eastern



Mr. Samuel Samson Omwa,
Principal Business
Development Officer



Mr. Appollo Kamugisha,
Principal Development
Officer, South Western



Mr. William Rugadya
Principal Internal Auditor



Mr. Jimmy Baluku,
Principal Development Officer,



Ms. Doreen Rweihangwe,
Principal Quality Controller



Mr. Mike Maliro,
Principal Development Officer,



Mr. Eliot Ainomugish
Head, Procurement & Disposal Unit



offee
Authority



benefits
coffee



Itumukya dok' jujaro ka cwaka
Gik nyo giratima
mikum kawa i Uganda



Drinking Coffee Is Healthy

Chapter One

**Coffee Market
Performance**

Coffee Market Performance

1.0 General Performance

Coffee exports for coffee year ended September 30, 2015, amounted to 3.45 million 60-kilo bags (207,351 tonnes) valued at US\$ 410.55 million slightly down from 3.5 million bags (209,990 tonnes) worth US \$ 393.92 million exported the previous year. This comprised 2.72 million bags (163,358 tonnes) of Robusta worth US \$ 288.39 million compared to 2.74 million bags (164,267 tonnes) valued at \$ 285.62 million exported in 2013/14 and 0.73 million bags (43,993 tonnes) worth US 122.16 million compared to 0.76 million bags (45,723 tonnes) of Arabica valued at \$ 108.31 million the previous year.

Nearly 70% of total exports were imported by European countries compared to 68% the previous year, 17% down from 19% the previous year exported to Africa Asia took 7% slightly down from 8% from the previous year and the rest went to America, Mexico and Australia.

The weighted average export price at export level stood at US \$ 1.98 per kilo 10 cents higher than US \$ 1.88 realized in 2013/14. The weighted average export price for Arabica stood at \$ 2.78 per kilo 42 cents higher than US\$ 2.36 per kilo realized in the previous year. Robusta's weighted export price was US\$ 1.77 per kilo, 3 cents higher than \$ 1.74 per kilo realized in 2013/14 year. The increase in weighted realized export prices was in line with the global trend which

had been driven by supply concerns from Brazil and Vietnam which in the latter part of the coffee year became evident that the drought damage was not as intense as it had been projected earlier which forced global prices to plummet.

1.1 Coffee Procurement

Marketed coffee production stood at 3.65 million bags (218,789 tonnes), just a slight drop of 0.17% compared to the previous year, 2013/14. There was a slight increase of 0.73% in marketed production of Robusta from 2.83 million bags to 2.85 million bags and a 3.29% drop in Arabica from 824,036 bags in CY 2013/14 to 796,923 bags in 2014/15. The drop was on account of a biennial off-cycle year characteristic of Arabica production.

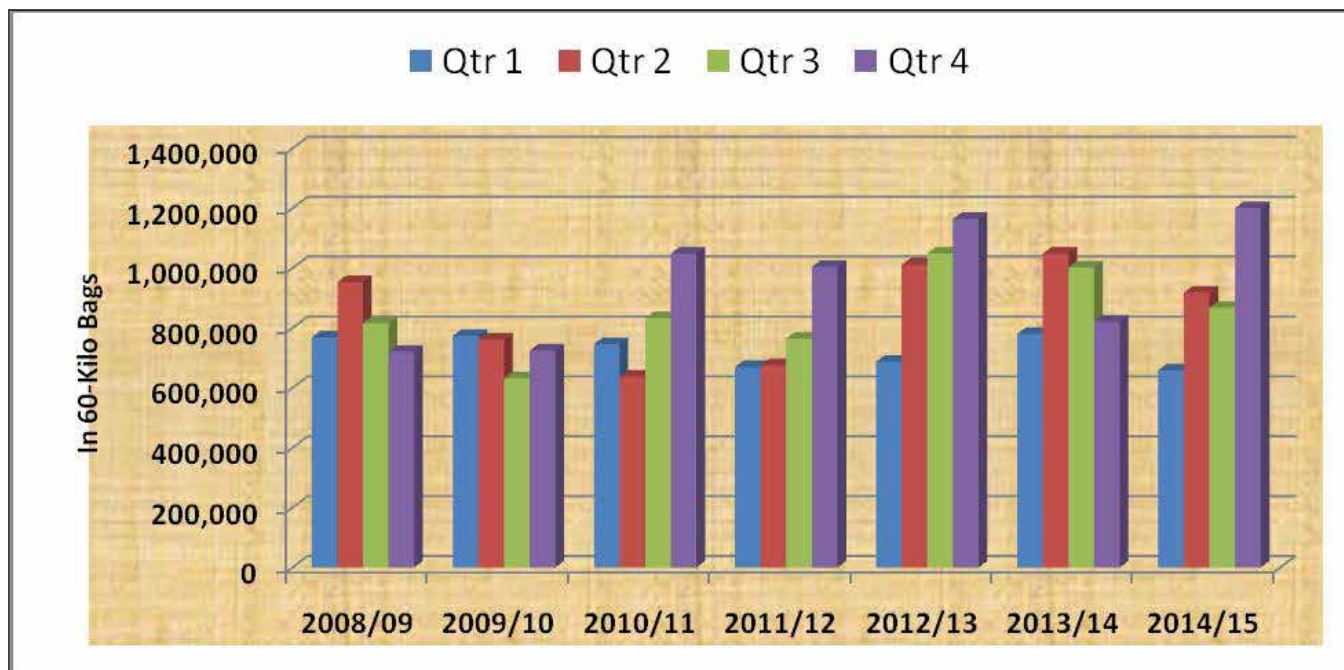
Table 1.0 represents marketed coffee (FAQ) to the export grading factories in the last five years while Figure 1 shows the quarterly coffee procurement trends in the past 7 years. Coffee procurement registered the highest volumes during the last quarter (July-September), the main harvesting and marketing season for Masaka and the South-Western regions in line with the earlier years (2010/11, 2011/12 and 2012/13). The only exception was in coffee year 2013/14 where most coffee was procured in the second quarter.

Table 1.0 Coffee Procurement by Type 2010/11-2014/15 in 60 kg Bags

Coffee Year	Coffee Type		TOTAL	%-Age Change
	Robusta	Arabica		Over Previous yr.
Average	2,705,967	812,663	3,518,630	-
2014/15	2,849,560	796,923	3,646,483	-0.17
2013/14	2,828,831	824,036	3,652,867	-6.64
2012/13	3,004,763	908,109	3,912,872	25.64
2011/12	2,224,302	890,061	3,114,363	-4.66
2010/11	2,622,380	644,185	3,266,565	12.88

A prolonged dry spell in January and February 2015 affected bean development with a subsequent reduction in coffee production than had been projected.

Figure 1 Comparative Quarterly Coffee Procurement Figures 60 Kilo Bags



1.2 Closing Stocks

Table 2.0 shows Uganda’s coffee balance as at the close of the coffee year Oct/Sept 2014/15. A total of 591,406 bags of coffee (Robusta - 415,373 bags and Arabica – 176,326 bags) were in stock at various levels within the supply chain, with over 95% held at exporters’ premises in anticipation of higher prices

Table 2.0 Closing Stock as on September 30, 2015

October 2014-September 2015	Coffee Type - 60Kg Bags		Total
	Robusta	Arabica	
Opening Stock Oct 01, 2014	463,649	166,326	629,975
Total Production	2,849,560	796,923	3,646,483
Availability	3,313,209	963,249	4,276,458
Domestic Coffee Consumption	175,200	54,000	229,200
Exports	2,722,636	733,216	3,455,852
Closing Stock Sept 30, 2015	415,373	176,333	591,406

1.3 External Market

1.3.1. Coffee Export Performance

During CY 2014/15, 3,455,852 bags (207,351 tonnes) valued at US \$ 410.55 million were exported to 27 destinations compared to 3,499,829 (209,990 tonnes) worth US \$ 393.92 million exported the previous year. This was a slight drop of 1.26% in quantity and a rise of 4.22% in value compared to the previous year.

Table 3.0 represents Uganda’s coffee export performance on a monthly and quarterly basis in terms of

in the future. The high stocks especially for Arabica were attributed to low global demand especially for Drugar. In spite of this, globally the concluded year witnessed an appreciable growth in consumption especially in EU, USA, emerging economies and producing countries except Brazil which showed less than optimal growth in domestic demand for coffee.

quantity and value during the year in comparison to Coffee Year 2013/14. Whereas the second quarter registered the highest value of US\$ 117 million, the fourth quarter registered the highest export volume of just over 1 million 60-kilo bags worth US\$ 104.85 million while the first quarter registered the lowest both in terms of quantity exported and value-674,193 bags and US \$ 89.90 million, respectively. The lower value in the fourth quarter is attributed to the drought effect on production in Brazil which analysts had indicated would impact positively on global prices. As it turned out, it was not as severe as predicted leading to lower global prices.

Table 3.0 Monthly & Quarterly Coffee Exports in 60 Kilo Bags and US\$

MONTHS	2014/15		2013/14		%Age Change	
	Qty	Value \$	Qty	Value \$	Qty	Value \$
G/ Total	3,455,852	410,549,941	3,499,829	393,922,335	-1.26	4.22
October	229,442	30,657,590	210,552	22,738,119	8.97	34.83
November	219,948	29,494,827	263,733	26,649,752	-16.60	10.68
December	224,803	29,750,803	257,386	25,217,747	-12.66	17.98
Qtr - 1	674,193	89,903,221	731,671	74,605,617	-7.86	20.50
January	310,149	39,691,234	391,092	38,846,691	-20.70	2.17
February	290,475	36,950,798	355,449	35,511,412	-18.28	4.05
March	310,773	40,787,188	347,663	38,772,433	-10.61	5.20
Qtr - 2	911,397	117,429,220	1,094,204	113,130,536	-16.71	3.80
April	264,065	32,805,613	332,635	40,486,180	-20.61	-18.97
May	262,604	30,470,864	286,448	35,844,953	-8.32	-14.99
June	333,943	35,095,264	264,611	32,823,086	26.20	6.92
Qtr - 3	860,612	98,371,742	883,694	109,154,219	-2.61	-9.88
July	402,721	42,958,800	314,304	37,862,273	28.13	13.46
August	320,607	32,580,374	268,033	32,469,005	19.61	0.34
September	286,322	29,306,583	207,923	26,700,684	37.71	9.76
Qtr - 4	1,009,650	104,845,758	790,260	97,031,963	27.76	8.05

Figures 2 and 3 below illustrate annual coffee export quantities and value by type – Robusta and Arabica in 60-Kg bags and US \$ in the past five (5) years. Robusta exports during coffee year 2014/15 reduced slightly compared to the previous year. Similarly, Arabica exports reduced slightly on account of an off-year biennial cycle characteristic of Arabica production coupled with stockpiling at exporter level especially of Arabica coffee due to lack of demand on account of low global prices.

Figure 2: Comparative 5 year Coffee Export Volume Performance

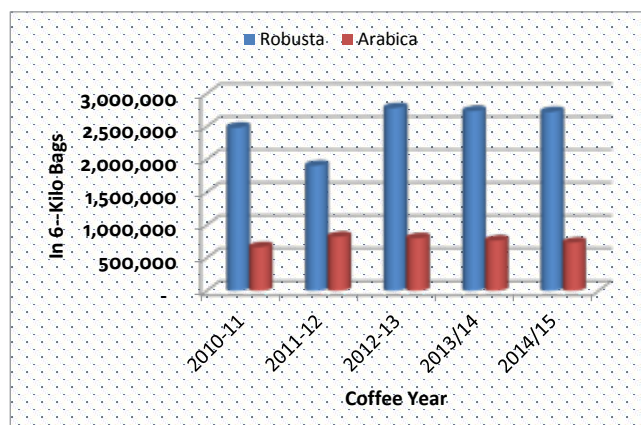
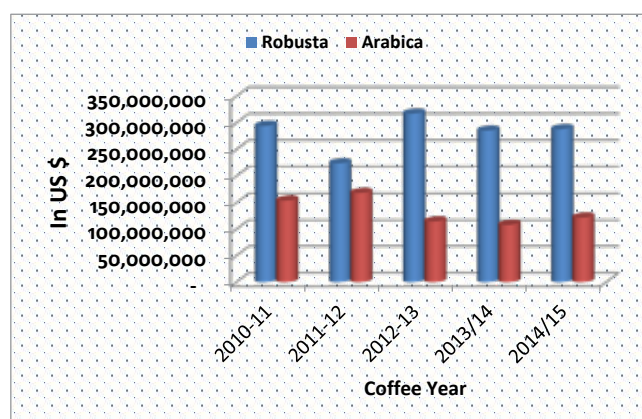


Figure 3: Comparative 5 year Coffee Export Value Performance



1.3.2 Coffee Exports by Type and Grade

Table 4.0 illustrates coffee exports by type (Robusta and Arabica), grade and average realized export prices for each during Coffee year 2014/15 compared to 2013/14. The weighted average export price stood at US \$ 1.98 per kilo, 10 cents higher than US \$ 1.88 realized in 2013/14. The weighted average price for Arabica stood at \$ 2.78 per kilo, 42 cents higher than US\$ 2.36 per kilo realized in the previous year.

The Robustas weighted average price was US\$ 1.77 per kilo, 3 cents higher than \$ 1.74 per kilo realized in 2013/14 year. The increase in weighted realized export prices was in line with the global trend which had been driven by supply concerns from Brazil and Vietnam which in the latter part of the coffee year became evident that the drought damage was not as intense as it had been projected earlier which forced prices to plummet.

Sustainable coffee exports amounted to 127,522 bags valued at US \$ 21.9 million, 4% market share of total export value similar to the previous year. The stagnancy in sustainable/speciality coffee exports is attributed to the harsh weather which affected production volumes mainly in Robusta areas.

Table 4 also shows increased price differentials especially of Arabica coffee with distinct price premiums between Specialty/Sustainable and conventional coffees. For example, Washed Robusta and Organic Robusta fetched \$ 2.13 and \$ 1.97 per kilo respectively, 22 and 6 cents higher than Screen 18's export price of US\$ 1.91 per kilo. The differentials

were however lower than the previous year when the two fetched premiums of 26 and 12 cents respectively. In Arabica, fully washed Sipi Falls fetched the highest price of US\$ 3.90 per kilo, 63 cents higher than conventional Bugisu AA price of US\$ 3.27 per kilo. This premium was 13 cents higher than realized in 2013/14 for the same grade. This was followed by Mt. Elgon A+ which fetched \$ 3.65 per kilo, a premium of 38 cents over Bugisu AA price. Worth noting is that the weighted average price of Bugisu AA during the year was 85 cents higher than \$ 2.42 a kilo realized the previous year.

Organic Drugar fetched US\$ 2.96 per kilo, a premium of 34 cents over conventional Drugar. Similarly, Washed Okoro fetched US \$3.42 per kilo, a premium of 41 cents over conventional Wugar. It is uncertain why Organic Wugar had a 7 cents discount from the conventional Wugar.

Worth noting is the increase in exports of higher Robusta grades (Screens 18, 17 and 15) compared to the previous year.



Coffee Grading Plant

Table 4.0 Comparative Coffee Export Grades and Unit Prices

Coffee Type/Grade	2014/15			2013/14		
	Quantity	Value	US\$/Kg	Quantity	Value	US\$/Kg
TOTAL	3,455,852	410,549,940	1.98	3,499,829	393,922,335	1.88
ROBUSTA	2,722,636	288,389,791	1.77	2,735,020	285,614,846	1.74
Organic Robusta	21,428	2,532,261	1.97	6,790	881,737	2.16
Washed Robusta	21,500	2,742,494	2.13	29,715	3,602,634	2.02
Utz Robusta				1,990	195,256	1.64
Screen 15 Utz				1,440	144,210	1.67
Screen 18	298,832	34,267,070	1.91	235,160	26,870,132	1.90
Screen 17	142,586	15,838,842	1.85	126,775	13,821,556	1.82
Screen 15	1,325,067	145,442,891	1.83	1,322,618	143,178,217	1.80
Screen 14	5,714	539,837	1.57	3,210	315,690	1.64
Screen 13	334	37,111	1.85	-	-	-
Screen 12	530,404	55,147,074	1.73	656,869	67,560,392	1.71
BHP 1199	211,626	16,808,418	1.32	202,039	15,989,550	1.32
Other Robusta	165,145	15,033,793	1.52	148,114	13,055,472	1.47
ARABICA	733,216	122,160,149	2.78	764,809	108,307,489	2.36
Organic Okoro	12,480	2,574,303	3.44	8,200	1,112,071	2.26
Organic Bugisu	17,361	3,509,252	3.37	3,500	531,326	2.53
Mt. Elgon Utz	640	127,832	3.33	2,100	425,929	3.38
Mt. Elgon	1,110	163,493	2.45	2,840	364,935	2.14
Mt. Elgon A	25,305	4,700,876	3.10	2,650	458,072	2.88
Mt. Elgon C				1,280	237,039	3.09
Mt. Elgon A+	2,395	524,754	3.65	37,161	6,571,254	2.95
Mt. Elgon AA	150	25,754	2.86			
Mt. Elgon CPB	600	87,302	2.43			
Bugisu A+	11,802	2,103,363	2.97	12,745	1,963,156	2.57
Sips Falls	9,055	2,119,901	3.90	4,780	732,042	2.55
Organic Bugisu Utz				580	63,678	1.83
Rwenzori				320	47,729	2.49
Organic Wugar	1,031	181,609	2.94	2,398	381,078	2.65
Organic Drugar	1,340	238,097	2.96	4,360	514,158	1.97
Bugisu AA	75,768	14,881,315	3.27	79,498	11,530,397	2.42
Bugisu A	15,232	2,618,226	2.86	13,444	2,312,317	2.87
Bugisu PB	1,062	217,436	3.41	3,690	527,288	2.38
Bugisu AB	51,792	10,049,913	3.23	56,217	8,302,967	2.46
Bugisu CPB	12,166	1,833,758	2.51	9,214	1,155,629	2.09
Bugisu B	611	112,282	3.06	244	30,662	2.09
Bugisu C				1,320	152,699	1.93
Wugar	59,212	10,678,389	3.01	73,313	9,688,895	2.20
Drugar	389,825	61,184,002	2.62	364,394	53,598,043	2.45
Mixed Arabica	3,500	355,111	1.69	4,440	533,760	2.00
Other Arabica	39,594	3,598,927	1.52	150,014	7,136,043	0.79

1.3.3 Realized Prices at Export Level

The weighted average price for the year stood at \$ 1.98 per kilo, 10 cents higher than 1.88 per kilo last year. It was however lower than \$ 2.01 per kilo realised in CY 2012/13 and \$ 2.40 per kilo in CY 2011/12. Just like the previous year, there was a negative price trend exhibited throughout the year in line with the International Coffee Organization (ICO) composite indicator price. Arabica export prices averaged \$ 2.78 per kilo, 36 cents higher than 2.36 per kilo the previous year, but lower than \$3.42 realized in CY 2011/12. Robusta prices averaged \$ 1.77 per kilo, 3 cents higher than \$ 1.74 per Kilo realized the previous year though, 13 cents lower than \$ 1.90 per kilo realised in CY 2012/13 (table 5).

Table 5 and Figure 3 compare monthly average prices for each type of coffee – Arabica and Robusta for CY

Table 5: Comparative Monthly Average Realized Export Price by Coffee Type in US\$ Per Kilo in CY 2014/15 and CY 2013/14

Month	2014/15			2013/14		
	Robusta	Arabica	Weighted	Robusta	Arabica	Weighted
Oct	1.88	3.29	2.23	1.76	1.93	1.80
Nov	1.88	3.17	2.23	1.60	1.87	1.68
Dec	1.94	3.18	2.21	1.57	1.85	1.63
Jan	1.84	3.21	2.13	1.59	1.94	1.66
Feb	1.86	3.11	2.12	1.60	1.95	1.67
Mar	1.84	2.97	2.19	1.72	2.33	1.86
Apr	1.80	2.63	2.07	1.77	2.60	2.03
May	1.77	2.40	1.93	1.86	2.72	2.09
Jun	1.67	2.23	1.75	1.86	2.73	2.07
Jul	1.67	2.47	1.78	1.88	2.89	2.01
Aug	1.63	2.23	1.69	1.89	2.91	2.02
Sep	1.62	2.07	1.71	1.86	3.26	2.14
Average	1.77	2.78	1.98	1.74	2.36	1.88

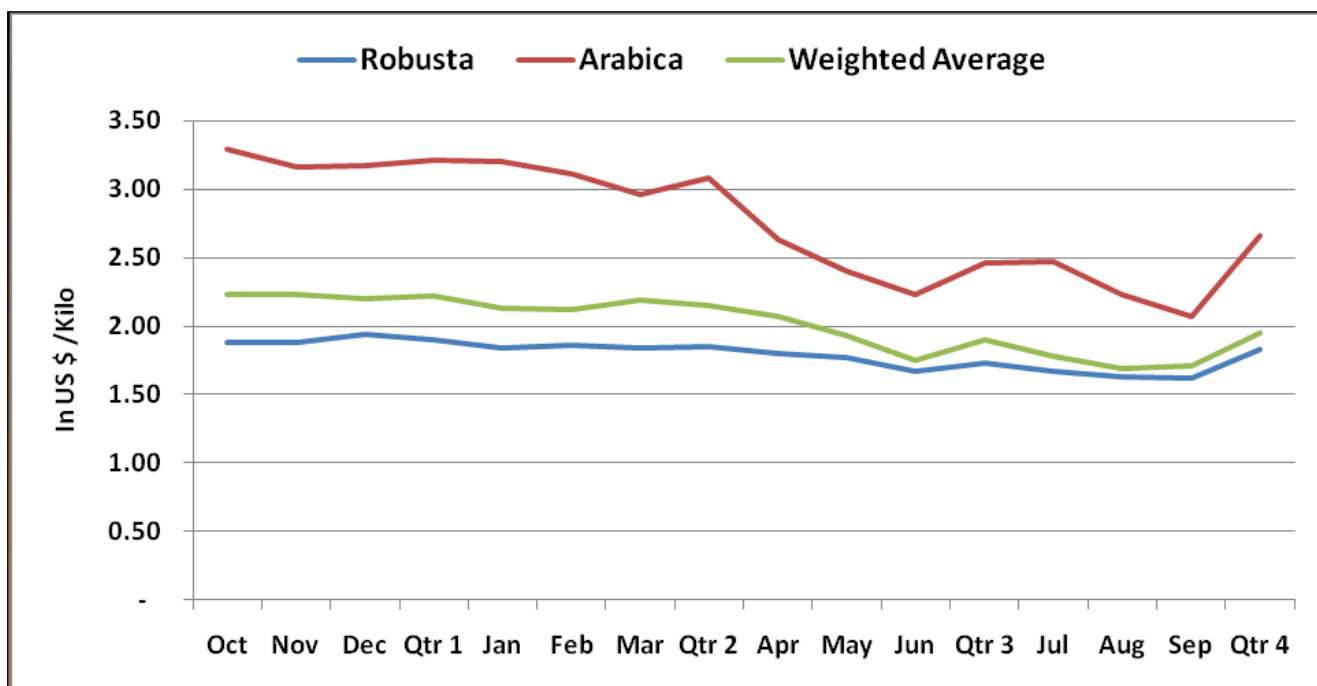
The highest weighted average export price was realized in October and November 2014 at US\$ 2.23 per kilo compared to US\$ 2.14 per kilo in September 2014 realized last year while the lowest was in August 2015 at only US \$ 1.69 per kilo compared to US \$ 1.63 per kilo in December 2013 in the previous year (table 5).

Figure 3 reflects the narrowing gap between Robusta and Arabica export price during the second half of

2014/15. Generally, the export price trend for both types of coffee was negative throughout the year although it was more pronounced in Arabica. The graph also shows a narrowing differential between Arabica and Robusta especially in the second half of the year. The negative trend was attributed to the drought effect of the 2015/16 Brazilian Robusta (conilon) crop which occurred in January 2015 which had been anticipated to impact positively on prices. This was not so as the drought damage was not as severe cushioned by increases in Brazilian Arabica production and the resultant effect was a bearish market as the year progressed. This was compounded by production increases in major origins such as Colombia as well as Vietnam and Central America which impacted negatively on global prices.

the year. Whereas Arabica exhibited a sharp decline in prices the Robusta export prices gradient was not as high as for Arabica. This was due to the negative global trend in Arabica prices on account of ample supply from Brazil and a recovery in Colombian production.

Figure 3 Monthly Average Unit Export Prices by Type in 2014/15



1.3.4 Export Performance by Individual Companies

Of the 58 coffee exporting companies registered, only 48 performed; and the best 10 handled 78% of the market share compared to 71% the previous year. Table 6 shows the export performance of each company in terms of quantity (Robusta and Arabica), percentage share and cumulative market shares. The best performer was Ugacof (U) Ltd with a market share of 18% compared to 17% the previous year

2013/14. This was followed by Kyagalanyi Coffee Ltd. 10% (11%); Kawacom (U) Ltd. - 9 percent (6%); Olam (U) Ltd- 8 percent (7%); Ibero (U) Ltd - 7 percent (6%);); Ideal Commodities -7 percent (5%); Export Trading Company -6% (7%); Kampala Domestic Store - 5 percent (5%); Besmark Coffee Company Ltd. - 5 percent (4%) and Ishaka Commodities - 3 percent (2%);

Table 6 Coffee Exports by Individual Companies CY 2014/15

	Exporting Company	Quantity - 60 kg Bags			% -age Market Share	
		Robusta	Arabica	Total	Individual	Cumulative
	Grand Total	2,722,636	733,216	3,455,852	100.00	
1	Ugacof (U) Ltd	565,695	60,291	625,986	18.11	18.11
2	Kyagalanyi Coffee Ltd	240,260	105,012	345,272	9.99	28.10
3	Kawacom (U) Ltd	197,997	116,288	314,285	9.09	37.20
4	Olam (U) Ltd	217,904	60,394	278,598	8.06	45.26
5	Ibero (U) Ltd	228,195	18,000	246,195	7.12	52.38
6	Ideal Commodities	209,139	24,048	233,187	6.75	59.13
7	Export Trading Company	192,238		192,238	5.56	64.69
8	Kampala Domestic Store	178,142		178,142	5.15	69.85
9	Besmark Coffee Co. Ltd	89,336	67,467	156,803	4.54	74.39
10	Ishaka Commodities	102,976	4,269	107,245	3.10	77.49
11	Great Lakes Ltd	2,542	103,685	106,227	3.07	80.56
12	Savannah Commodities	94,684	7,817	102,501	2.97	83.53
13	LD Commodities	56,543	38,608	95,151	2.75	86.28
14	Commodity Solutions.	52,296	20,844	73,140	2.12	88.40
15	Risala (U) Ltd	23,620	17,700	41,320	1.20	89.60
16	Ankole Coffee Producers	39,311	571	39,882	1.15	90.75
17	Job Coffee Ltd	10,038	24,690	34,728	1.00	91.75
18	Nakana Coffee Factory	31,288		31,288	0.91	92.66
19	Ankole Coffee Processors	24,640	320	24,960	0.72	93.38
20	Armajaro (U) Ltd	23,930		23,930	0.69	94.07
21	Wabulungu Multipurpose	16,180	7,714	23,894	0.69	94.77
22	Kaweri Coffee Plantation	22,500		22,500	0.65	95.42
23	Sena Indo Company Ltd.	20,572	117	20,689	0.60	96.02
24	Coffee World Ltd.	17,840	1,652	19,492	0.56	96.58
25	Banyankole Kweterana	13,282	4,830	18,112	0.52	97.10
26	Mbale Importers & Exporters	668	15,556	16,224	0.47	97.57
27	Kamba Petroleum	7,046	8,578	15,624	0.45	98.03
28	Fairlop Global Company Ltd.	9,974	1,328	11,302	0.33	98.35
29	KARAZ Coffee Factory	10,788	350	11,138	0.32	98.67
30	Gumutindo Cooperative		9,843	9,843	0.28	98.96
	Others ⁴	23,012	12,944	35,956	1.04	100.00

1.3.5 Individual Coffee Buyers' Performance

Table 7 represents the performance of buyers of Uganda coffee by type during coffee year 2014/15 in terms of quantity and market share. The ten top buyers held a market share of 65% compared to 59% the previous year. This reflects increasing concentration at the buyer level but also indicates buyers' confidence of Uganda as a reliable origin. As in the past years, Sucafina maintained its lead with a market share of 17% almost similar to the previous year and up from 16% in 2012/13. Similarly, Sucafina was followed by Olam International with a market share of 10% up

from 8% the previous year. Ecom Agro Industrialist was third with a market share of 8% compared to 5% the previous year followed by Bernhard Rothfos which was fourth with a market share of close to 8% compared to 6% the previous year.

Table 7 Performance of Individual Coffee Buyers Companies in CY 2014/15

	Buyers	Quantity			%age Market Share	
		60-Kilo Bags			Individual	Cumulative
	Grand Total	Robusta	Arabica	Total		
		2,722,636	733,216	3,455,852	100.00	-
1	Sucafina	516,734	52,833	569,567	16.48	16.48
2	Olam International	257,553	76,176	333,729	9.66	26.14
3	Ecom Agro Industrialist	154,455	107,986	262,441	7.59	33.73
4	Bemhard.Rothfos	239,525	18,320	257,845	7.46	41.19
5	Altasheel	215,218	2,290	217,508	6.29	47.49
6	Aldwami	147,710		147,710	4.27	51.76
7	Icona Café	118,562	4,200	122,762	3.55	55.31
8	Socadec	84,039	28,806	112,845	3.27	58.58
9	Strauss Commodities	75,620	32,226	107,846	3.12	61.70
10	Abaco International	96,220		96,220	2.78	64.48
11	Volcafe	64,509	22,372	86,881	2.51	67.00
12	Luigi Lavazza	80,301	360	80,661	2.33	69.33
13	Louis Dreyfus	53,931	17,294	71,225	2.06	71.39
14	Bercher Coffee Consulting	32,140	38,060	70,200	2.03	73.42
15	Coex Coffee	41,329	19,396	60,725	1.76	75.18
16	Cofftea Trading	59,714		59,714	1.73	76.91
17	Falcon Commodities	640	50,611	51,251	1.48	78.39
18	Abu Asma	23,620	17,700	41,320	1.20	79.59
19	ETG Commodities	40,786		40,786	1.18	80.77
20	Golluckie	4,550	29,310	33,860	0.98	81.75
21	Tropicore	24,080	9,570	33,650	0.97	82.72
22	Guzman Global	25,190	6,930	32,120	0.93	83.65
23	TATA Coffee	27,727	4,350	32,077	0.93	84.58
24	Hamburg Coffee	4,174	26,466	30,640	0.89	85.47
25	Coffy Handles	334	28,320	28,654	0.83	86.30
26	CCL Products	18,295	10,200	28,495	0.82	87.12
27	Others	315,680	129,440	445,120	12.88	100.00

Altasheel followed with a market share of 6% almost similar to last year followed by Aldwami with a market share of 4% compared to 6% in CY 2013/14. Iconacafe had a market share of close to 4% compared to 5% the previous year. This was followed by Aldwami with a 4% market share same as the previous year and Socadec at 3% similar to last year. In terms of coffee type, Agro Ecom Industrialist had the highest quantity of Arabica exports (107,986 bags) followed by Olam International (76,176 bags) and Sucafina (52,833 bags).

A total of 184 buyers sought for Uganda coffee during the year. Out of these, 60 (33%) buyers bought both types of Coffee (Robusta and Arabica) 74 (40%) bought Robusta coffee only and 47 (26%) bought Arabica coffee only, reflecting an appreciable demand for both types of coffee from buyers. The demand will even be higher if Uganda's coffee is profiled leading

to higher returns to the farmers. However, compared to the previous year there was a drop of 8% (201) of buyers seeking Uganda coffee possibly due to reduced supply in the market.

1.3.6 Coffee Exports by Destination

The bulk of Ugandan coffee exports continue to be destined to European Union. Table 8 shows that 2.397 million bags (69%) were exported to European Union (EU) countries compared to 2.4 million bags (68%) the previous year. Exports to Sudan amounted to 0.51 million bags (15%) compared to 0.58 million bags (17%) the previous year, 2013/14. USA followed with a 3% market share almost similar the previous year, while the fourth was India with a 3% market share compared to 2.9% the previous year. Direct exports to China, Japan, Korea, Singapore and Taiwan totaled 134,525 bags.

Table 8 Main Destinations of Uganda Coffee in CY 2014/15

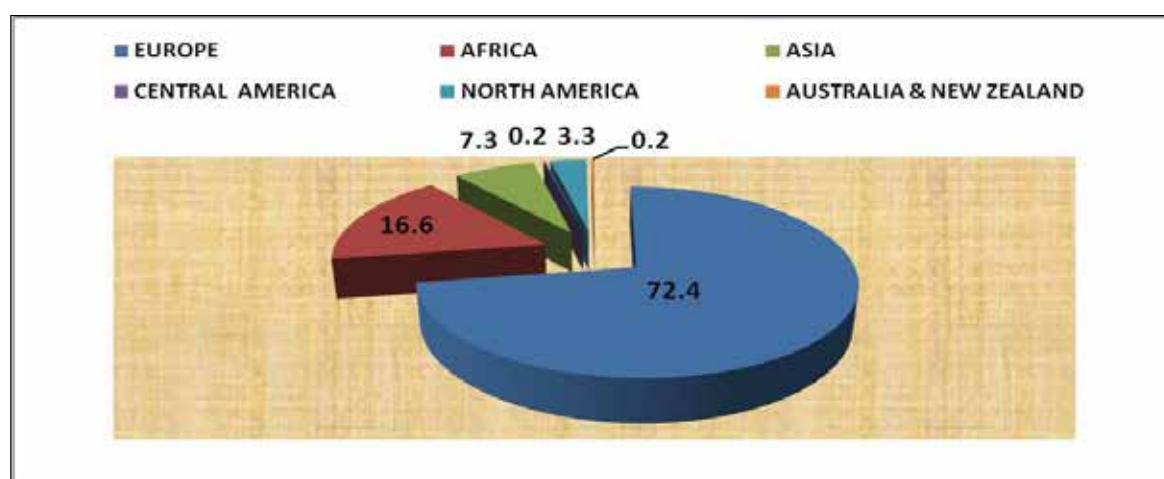
	Destination	Quantity in 60-Kilo bags			%age Market Share	
		Robusta	Arabica	Total	Individual	Cumulative
	Grand Total	2,722,636	733,216	3,455,852	100.00	
1	EU ⁵	1,874,920	522,0719	2,396,991	69.36	69.36
2	Sudan	489,856	18,650	508,506	14.71	84.07
3	USA	22,905	84,034	107,579	3.11	87.19
4	India	80,621	15,699	96,320	2.79	89.97
5	Switzerland	44,711	11,056	55,767	1.61	91.59
6	Japan	40,730	1,955	42,685	1.24	92.82
7	Singapore	30,935	4,704	35,639	1.03	93.85
8	Morocco	30,108	4,482	34,590	1.00	94.86
9	Korea	1,404	31,429	32,833	0.95	95.81
10	Russia	23,862	8,330	32,192	0.93	96.74
11	South Africa	22,647	3,778	26,425	0.76	97.50
12	China	17,228	3,740	20,968	0.61	98.11
13	Israel	18,330	320	18,650	0.54	98.65
14	Croatia	15,484	1,068	16,552	0.48	99.13
15	Australia	2,577	4,240	6,817	0.20	99.32
16	Mexico		6,080	6,080	0.18	99.50
17	Others ⁶	6,318	10,940	17,258	0.50	100.00

Exports to China increased by over 100% from 10,696 bags in 2013/14 to 20,968 bags. Similarly, exports to Singapore also increased by 41% from 25,274 bags in 2013/14 to 35,639 bags. The exports to this region will continue increasing mainly due to the promotional efforts of our Promotional Centre in Guangzhou, China. However, exports to Russia and Asia were 284,577 bags compared to 435,805 bags in the previous year.

Figure 4 illustrates the market share of importers of Uganda coffee by continent in terms of percentage

market share. Europe continues to dominate Uganda's coffee exports with a market share of 72% compared to 70% the previous year followed by Africa with a 17% market share compared to 19% last year. Although there was a slight decline in the Asian share of the Uganda's coffee exports from 8% to 7% in coffee year 2014/15, it has exhibited a positive trend since this was hitherto a tea consuming region.

Figure 4 Uganda's Export Destinations by Continent by Market Share in Percentage in CY 2014/15



1.4 Internal Marketing

1.4.1 Registered Post-harvest Industry Players

A total of 549 post-harvest industry players was registered in the Coffee Year 2014/15, a 19% rise in players compared to 462 registered last year CY 2013/14 (see table 9).

Table 9 Registered Post-harvest Industry Players in CY 2014/15

Industry Players	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Exporters	58	54	54	42	40	42
Export grading plants	36	34	32	30	32	19
Primary Processing Plants	441 ⁷	363	395	308	327	300
Roasters	13	11	14	14	8	8
Total	549	462	495	394	407	369

1.4.2 Price Movements

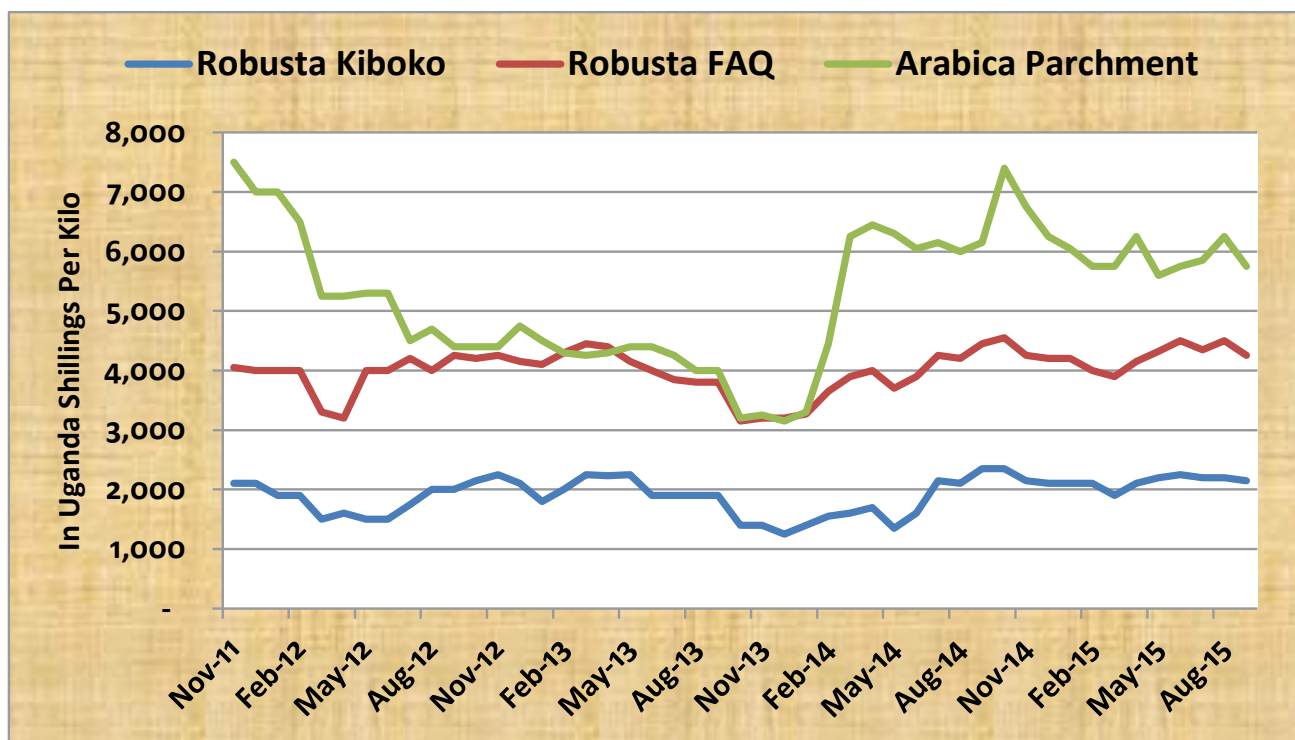
The farm-gate prices for Kiboko (dry Robusta cherries), Robusta FAQ and Arabica Parchment averaged Shs. 2,150, 4,260 and 6,120 per kilo respectively compared to Sh.1,650, Shs. 3,740 and Shs 5,060 per Kilo realized last year in 2013/14 (Table 10). The recovery from last year prices triggered an increase in farm gate prices as a ripple effect from the recovery at the beginning of the year.

Table 10 Realized Monthly Farm-gate Prices UGX/Kilo

2014/15	Robusta		Arabica
	Kiboko	FAQ	Parchment
Oct - 2014	2,350	4,550	7,400
Nov	2,150	4,250	6,750
Dec	2,100	4,200	6,250
Jan - 2015	2,100	4,150	6,050
Feb	2,100	4,000	5,750
Mar	1,900	3,900	5,750
Apr	2,100	4,150	6,250
May - 2015	2,200	4,320	5,600
Jun	2,250	4,500	5,750
Jul	2,200	4,350	5,850
Aug	2,200	4,500	6,250
Sep - 2015	2,150	4,250	5,750
Average	2,150	4,260	6,120

Robusta farm gate prices oscillated in a narrow range from Sh. 1,900-2,350/= per kilo for Kiboko coffee, and Sh. 3,900-4,550/= for clean coffee (Fair Average Quality). Arabica parchment prices ranged from Sh. 5,750/= to Sh. 7,400/= per kilo exhibiting a negative trend throughout the year on account of ample supply from Brazil. Figure 5 shows a widening differential between Arabica parchment prices and Robusta FAQ prices during the year 2014/15 compared to the previous year.

Figure 5: Farm gate Price Trend in the Internal Market Oct 2011-Sep 2015



1.5 Global Outlook

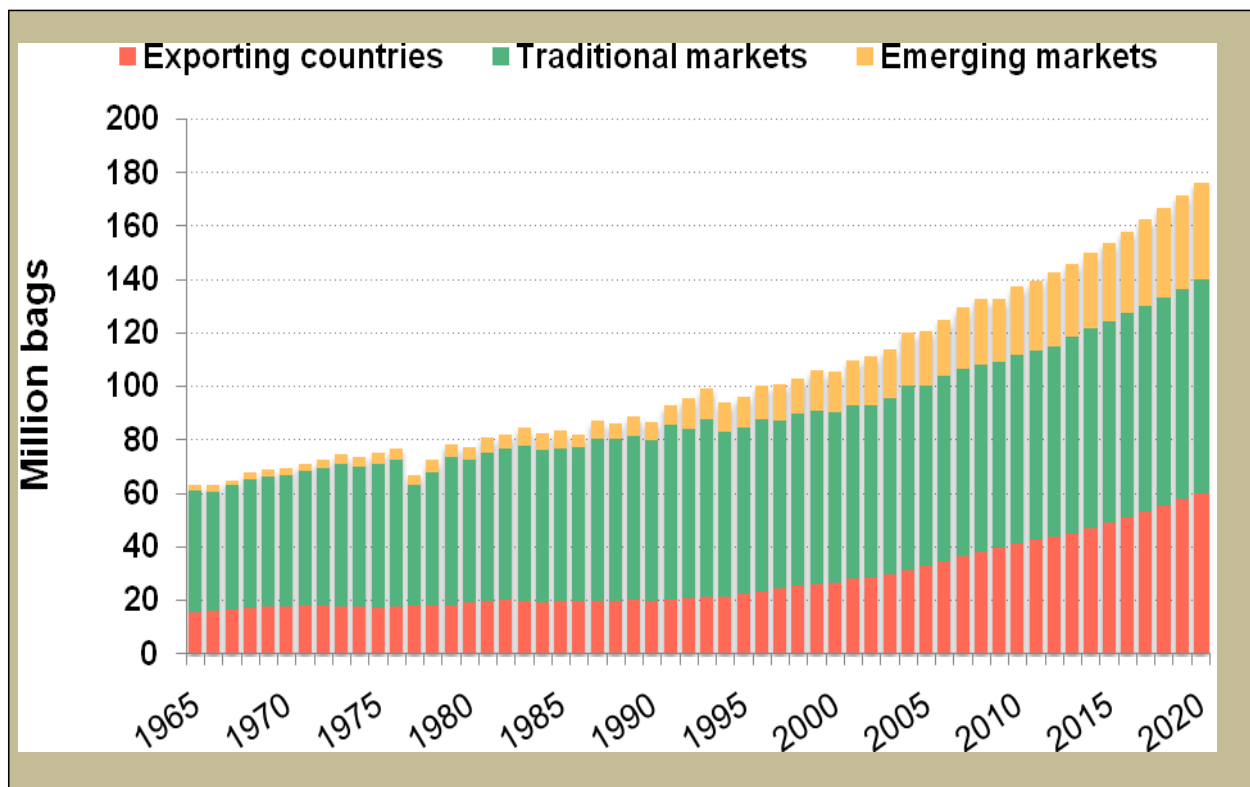
1.5.1 Coffee prices in coffee year 2015/16 are envisaged to be volatile due to the effect of drought on the Brazilian crop; bad weather in Vietnam; and Coffee leaf rust (roya) in Mexico and Central America. Nonetheless, Colombia’s production is likely to continue its recovery from the 4-year poor performance. The recovery in Colombia’s production is due to favourable weather conditions and ongoing replanting campaign spearheaded by Colombian Coffee Growers Federation (FNC).

1.5.2 On the supply side, global production in 2015/16 is estimated at 143.3 million bags, a drop of 3.14% compared to 146.9 million bags in 2014/15 . Both Arabica and Robusta are envisaged to be down by 2.8% and 3.7%, respectively. Key players’ performance in

2014/15 is estimated as follows: Brazil 45.3 million bags; Vietnam 27.6 million bags, Indonesia 9.0 million bags, Colombia 12.5 Million bags, Central American countries 16.9 million bags, India 5.5 million bags Peru 3.5 million bags, Africa 17.4 million bags, and the balance to come from the rest. Indonesian and Ugandan production is likely to increase on account of increased planting in the last 3 years. Colombian production is also expected to continue its recovery spearheaded by the Colombian Coffee Growers Federation (FNC).

1.5.3 On the demand side, there is a buoyant growth in global consumption estimated to have grown at 2.4% per year in the last 4 years (2010-2014) to 149.8 million bags in calendar year 2014 and is likely to reach 175 million bags in 2020 (figure 6).

Figure 6: Time-Series of Global Coffee Consumption



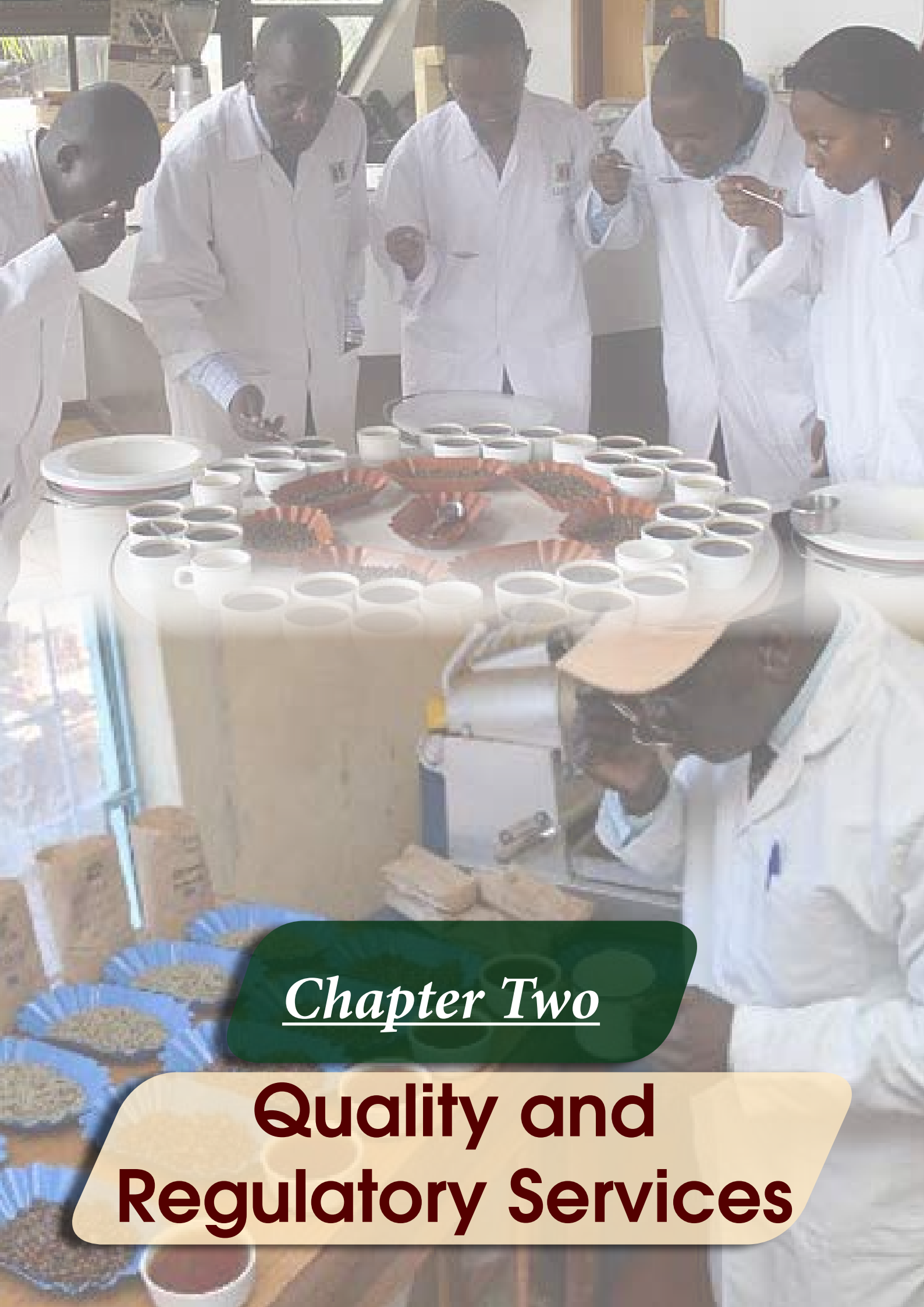
Source: ICO

Global opening stocks for 2015/16 are estimated to be lower both in producing and importing countries on account of high exports especially from Brazil in Coffee Years 2013/14 and 2014/15 in spite of drought which affected both Arabica and

Robusta regions in the two coffee years although with varying intensity across regions. Vietnamese stocks are expected to be high with farmers hoarding their coffee in anticipation of higher export prices in the future.



Training of Trainers (TOT) in Coffee Agri-business in Brovad Hotel Masaka



Chapter Two

Quality and Regulatory Services

Quality and Regulatory Services

2.0 Introduction

In line with UCDA's mandate, the Department of Quality and Regulatory Services executed programs of quality improvement and assurance, training and skills development, value addition, generic promotion, and promotion of domestic coffee consumption.

In quality improvement program, the quality of coffee in the field was evaluated in terms of out-turn, moisture content and screen size distribution and the information was disseminated to the stakeholders. The quality of both Arabica and Robusta coffee at the primary processing level improved especially in moisture content and bean size compared to the previous coffee year.

At the exporter level, 727 FAQ coffee delivery samples (545 Robusta and 182 Drugar) were analyzed for moisture content, screen retention and outturn. The moisture content, screen retention above screen 15 and outturn were 13.28%, 78.99%, 82.00% respectively for Robusta export delivery samples. While for Drugar samples, the moisture content, screen retention above screen 16, outturn and defects were 13.19%, 73.37% and 79.41% respectively. The washed Arabica coffees performed better in all parameters compared to all the other coffees.

Evaluation of the coffee in the field reflected good out-turn above 70% for both Arabica and Robusta and the moisture content was maintained below the 14% limit, justifying need to maintain sensitization on proper drying techniques.

The department continued to train industrial players at post-harvest level in best handling and manufacturing practices, machine maintenance and best hygiene practices.

In the field of quality assurance, the percentage of clean cups was maintained at high levels. Washed and certified Arabica coffee recorded the best cup largely attributed to establishment and strict observance of post-harvest procedures in addition to certification process prescribing ethical, health and environmental standards.

There was an increase in the volume of coffee referred for re-processing at export level from 51,229 bags in 2013/14 to 71,858 bags in 2014/15. The referrals were due to high moisture content, low screen retention, and high defect percentage particularly withered and floats. The low screen retention was as a result of poor machine setting while withered and floats occurred due to drought at bean formation.

A number of training programs were undertaken including training in Basic Quality Control; Barista training; training of coffee roasters and brewers; training of trainers in Robusta-R and Arabica -Q graders; farmers; and certification of Robusta and Arabica graders.

On promotion of domestic coffee consumption, UCDA continued to participate in local trade fairs and exhibitions to promote Uganda coffee and maintained the formation and support of university coffee clubs to attract the youth to participate in coffee activities such as barista championships.

UCDA continued with the promotion of coffee on the global market through participation in international trade fairs, exhibitions and maintaining the Promotional Center in China.

2.1 Quality Improvement

2.1.1. One thousand three hundred (1,300) farmers, processors and traders were trained in Best Agronomic Practices (BAPs), value addition through group processing and regulations. Of these, 910 were from districts of Bugiri, Iganga, Hoima, Rukungiri, Kanungu, Kamuli, Mityana, Ibanda, Bundibugyo, Rukungiri, Kisoro, Isingiro and Bunyaruguru as well as 360 farmers and political leaders on clauses in the coffee regulations, GAPs and PHHPs at Kyanamukaaka in Masaka district .

2.1.2. A total of 162 samples (115 Robusta and 47 Arabica) were evaluated to assess quality of coffee in the field. The quality at field level was within acceptable limits; moisture content, screen retention above screen 15 and outturn were 13.15%, 80.22% and 82.50% respectively for Robusta field samples. The moisture content, screen

retention above screen 16 and out-turn was 13.09%, 76.71%, and 83.06% respectively for Drugar field samples. The moisture content, screen retention above screen 16, outturn and defects were 11.25%, 73.65% and 92.76% respectively for Wugar field samples. The results were disseminated to stakeholders across the value chain through 12 monthly Coffee Quality evaluation reports. UCDA conducted 16 workshops for traders, farmers, LGs, and DAOs to disseminate information on the coffee regulations.

2.1.3. Under inspection and registration of post-harvest level, the department licensed 58 export companies compared to 54 exporters in 2013/14. a total 441 primary processing factories were licensed compared to 363 primary processors in 2013/14, 13 roasters were registered compared to 11 in 2013/14. Out of 58 exporters, 55 were renewals while three new operators joined the trade namely: NUCAFE Ltd, Paidha Washed Arabica Coffee Ltd and Amar Traders Ltd.

2.1.4. In a bid to enforce Coffee Regulations, 9 field compliance checks were conducted in 14 districts of Ntungamo, Kanungu, Rukungiri, Kisoro, Paidha, Lira, Kayunga, Luwero, Kabale, Bushenyi-Ishaka, Mbarara, Kasese, Busoga area and Mt. Elgon area and carried out 6 task forces in Northern and Central regions (3), South-Western and Eastern regions (3). Three (3) factories were closed for operating without a license and handling wet coffee as stipulated in the Coffee regulations. The taskforce activities registered positive achievements in the improvement of post-harvest handling countrywide especially the Busoga sub-region.

2.1.5. A team of Quality and Regulatory Services Department staff together with Uganda National Bureau of Standards (UNBS) and Agricultural Police carried out inspection of 7 roasting factories. Two (2) factories were closed for roasting and packaging husks while on other 2 were requested to improve their storage facilities. Three factories namely Titan, Nile Coffee and Great Lakes coffee companies conformed to standards.

2.2. Quality Assurance

UCDA undertook pre-shipment inspection for physical and sensory analysis 3,455,852 bags inspected and loaded for export. The export loadings constituted of Robusta (2,722,636 bags) and Arabica (733,216 bags)

2.2.1 Overall cup performance

Cup performance is measured by proportion of clean cups liquored. Liquoring is referred to as a method in which coffee is roasted, grounded and with hot water poured in a number of cups and tasted by different quality controllers. A total of 6,384 coffee samples of export coffee were analyzed with 31,920 cups liquored. The analysis of Natural Robusta revealed that out of 5,020 samples analyzed (physical Analysis), and 25,100 cups liquored, clean cups were 96.91%. Common defects were: Earthy (1.30%) and Tainted (1.40%).

Natural Arabica (Drugar): 775 analyzed (physical analysis), 3,875 cups liquored, clean cups (98.20%), Un-clean cups (1.80%). Common defects were: Earthy (1.31%) and Tainted (1.84%)

Washed Arabica: 589 samples analyzed (physical analysis), 2,945 cups liquored, clean cups (98.79%), un-clean cups (1.22%).

2.3. Coffee Referred For Reprocessing

In the year CY 2014/15, a total of 71,858 bags of coffee were referred for not meeting export standards compared to 51,265 bags in the year 2013/14 and 33,579 bags in the year 2012/13. This was due to high moisture content (49.55%), low retention (25.60%) and high percentage defects (24.85%) on account of high speed grading and erratic weather conditions.

Table 2.3: Coffee Rejections (60kg bags) 2010/11 to 2014/15

S/N	DEFECTS	2010/11	2011/12	2012/13	2013/14	2014/15	Percentage Defects
1.	Wetness	4,268	9,016	9,369	19,365	35,606	49.6
2.	Poor Retention	16,617	31,498	18,166	24,795	18,396	25.6
3.	High %age of Defects	7,569	15,833	6,044	7,114	17,858	24.8
	TOTAL	28,454	56,347	33,579	51,265	71,858	100

2.4. Training programs

In CY 2014/15, 559 farmers were trained in Good Agronomic Practices (GAPs), Good Post Harvest Handling Practices (GPHHPs) in 22 districts namely: Iganga, Luuka, Mayuge, Jinja, Namayengo, Bugiri, Kamuli, Lira, Oyam, Zombo, Nebbi, Bulambuli, Sironko, Mbale, Manafwa, Bukomansimbi, Masaka, Sembabule, Rukungiri, Kisoro, Ntungamo and Mbarara. Cupping sessions were also held to demonstrate practices and other linkages to cup quality. These trainings will enhance the quality of coffee and thus improve the livelihoods of the growers.

In addition, 15 roasters and 9 brewers were trained in roasting, brewing techniques, quality control of raw materials, sensory analysis, grinding, packaging and records management.

A total of 77 baristas from cafes, hotels and restaurants were trained in general coffee knowledge and brewing techniques; 47 baristas (20 baristas were prepared for the 8th Uganda National Barista Championship (UNBC)) and 30 baristas in Mbarara (10 practicing and 20 new baristas). Fifteen (15) finalists were supported and trained in brewing skills & a total of 22 Judges were calibrated by an international Judge.

At processor level, 335 primary processors and traders were trained in 10 districts of Bundibugyo, Kayunga, Kalungu, Gomba, Kinoni, Kyotera, Mukono, Kyenjojo, Kibaale and Kamwenge on best handling and processing practices, sampling and sample preparation, FAQ physical grading, cupping techniques and coffee regulations

Three (3) training sessions comprising 99 participants were carried out on production and processing methods in the districts of Luwero (34), Kayunga (35) and Iganga (30). The attendance improved compared to CY 2013/14 when the trainings attracted only 62 participants.

Basic Quality Control trainings were held benefitting 36 Quality Controllers (18 sector participants and 18 University students) who were attached to export grading factories for a hands-on training. As part of the activity, the trainees undertook 4 field visits to Arabica growing region (Kapchorwa) and Robusta (Bushenyi).

In order to promote coffee consumption among the youth, UCDA supported four (4) university coffee clubs to participate in the barista trainings, Inter University Barista Championship and the 8th UNBC. These included Uganda Christian University (UCU), Kyambogo University (KYU), Mbarara University Science and Technology (MUST) and Makerere University (MUK). There has been a marked improvement of coffee knowledge among the youth.

2.5. Generic promotion, Value addition and Promotion of Domestic Coffee Consumption

2.5.1. Promotion of Domestic Coffee Consumption

UCDA continued to promote domestic consumption activities across the country in a bid to raise awareness on the benefits of drinking coffee. These activities included:

- Local trade fairs and exhibitions; 23rd UMA international show – Lugogo, 9th Eastern UMA Trade Fair in Mbale, Jinja Agricultural show, American Chamber of Commerce Exhibition - UMA show grounds and World Food Day (WFD) held at NaCCRI Namulonge-Wakiso, and Buganda Expo held at Bulange, Mengo.
- Operated a coffee bazaar at 9 monthly corporate league meetings.
- Demonstrated good brewing practices at coffee shows held in 17 districts.
- Supported the KYU coffee club which televised a programme on NBS TV under the theme

“REVIVING THE COFFEE SPIRIT IN YOU”.

- Established a coffee club at UCU and by the end of the year UCDA had engaged 4 universities to constitute coffee clubs (Mbarara University of Science and Technology (MUST), Islamic University In Uganda (IUIU), Gulu University and Kampala International University (KIU Bushenyi campus)).
- Printed and disseminated promotional materials on the benefits of drinking coffee at various fora: Coffee day Maya Mpigi, Busoga Yaiffe exhibition- Jinja, “Youth Day Out-Coffee Day” at Life Church Namasuba Kampala, “Home is Best” Gulu summit, Retract Bukoto and Parliament.
- Held “Coffee on the Road” campaign in 3 regions; Eastern (Kayunga, Luuka, Iganga, Buikwe, Jinja and Kamuli), Western (Mbarara, Ntungamo, Isingiro, Kiruhura and Kanungu) and Central (Masaka). These shows attracted 4,580 participants. Under Coffee and Health program, 5 workshops were held attracting 106 participants (health workers, LG and sector players) in the districts of Gulu, Mbale, Mbarara, Bushenyi and Kampala in Kampala. The lead presenter was Dr. David Nini, a coffee expert from Israel. Four (4) TV talk shows on the health benefits of drinking coffee were telecasted on UBC, TV West and NTV (2).
- 20 participants were trained in cupping skills in preparation for the 3rd Uganda National Cup Tasters Championship (UNCTC) held at the

Serena Kampala Hotel where the winner was M/s. Brenda Kemigisha, UCDA Quality Controller and the first runner up was Mr. Emmanuel Tumwesigye of Louis Dreyfus Commodities. The champion would represent Uganda at the World 2015 cupper’s championship in Gothenburg, Sweden.

2.5.2. Participation in International Trade Fairs & Exhibitions

12th African Fine Coffees Conference and Exhibition

UCDA promoted coffee at the 12th African Fine Coffee Conference and Exhibition organized by Africa Fine Coffees Association (AFCA) held in Nairobi, Kenya which attracted more than 1,000 attendees. Uganda's specialty and fine coffees were showcased at the bazaar and relevant information provided. Cupping sessions were conducted with prospective buyers who showed interest in Natural Robusta (Ibanda, Kabarole and Bushenyi) and Arabica (Natural Kasese). The UNBC champion and 1st Runner-up were supported to participate in the Africa Barista Championship (ABC) where the former emerged second. At the Taste of Harvest Pavilion, Uganda's top five Robusta and Arabica Coffees were cupped by roasters and prospective buyers.



Uganda Pavilion at the 12th Africa Fine Coffee Conference and Exhibition, Nairobi, Kenya

USA 1st Coffee Origin Tour

Uganda hosted the 1st Coffee Origin tour attracting 11 coffee buyers from USA. Uganda specialty and fine coffees were cupped at different laboratories including UCDA (Lugogo and the Centre for Robusta Excellence, Iganga) and at Coffee Exporters premises (Kyagalanyi Coffee Ltd, Great Lakes (U) Ltd, Kawacom (U) Ltd, Gumutindo Cooperative Society and Bugisu Cooperative Union & Ugacof (U) Ltd) and their quality appreciated.

54th Inter African Coffee Organization General Assembly and the 2nd African Coffee Symposium

Uganda hosted the 54th Inter African Coffee Organization Annual General Assembly and 2nd African Coffee Symposium themed “Unlocking the Potential of The African Coffee Industry” at the Kampala Serena Conference Centre. The Symposium attracted 300 participants comprising of Medics, Academicians, Representatives from Government and Non-Government Organizations, Civil Society Organizations (CSOs), Coffee Associations and Foreign Dignitaries. A documentary on Uganda’s coffee was showcased.



IACO Exhibition in November 2014. UCDA showcased with other value chain actors of Serena Hotel

The 27th Specialty Coffee Association of America

(SCAA) Coffee was exhibited at the 27th Specialty Coffee Association of America (SCAA) exposition in Seattle, Washington, USA. Three cupping sessions of specialty & Fine Robusta coffee were held that attracted roasters, buyers and consumers from United Kingdom, USA, Belgium, Russia, China, Brazil, Jamaica, France, Yemen to mention but a few. Uganda Coffee was appreciated and exports to USA and South America have increased. As a result of promotional efforts, exports to America have increased; USA (117,045 bags), Canada (4,830 bags) and Mexico (4,160 bags) from 77,106; 1,490; 1,280 bags, respectively in CY 2013/14.

climaxed by a Uganda National Day presided over by the Minister of Trade, Industry and Cooperatives, Hon. Amelia Kyambadde and the State Minister of Finance for Investment, Hon. Gabriel Ejedra Aridru. The Uganda pavilion showcased exportable green coffee, finished coffee products; brewed coffee gave out R&G coffee packets to attendees for further tasting and distributed promotional materials. New contacts were made and linkages established with potential buyers. H.E. the President of Uganda visited the Uganda pavilion accompanied by Cabinet Ministers.

Promotion of Uganda coffee at the Milano Expo in

Italy

In collaboration with Café Motta Coffee Roasters, UCDA promoted Uganda coffee at the Milano Expo, which ran from May to September 2015. It was



The Minister of Trade, Industry and Cooperatives – Hon. Amelia Kyambadde addressing the delegates at the Uganda National Day

Specialty Coffee Association of Europe (SCAE)

Exhibition

Uganda Coffee was promoted at the Specialty Coffee Association of Europe (SCAE) Exhibition in Gothenburg, Sweden under the theme “Nordic World of coffee” where information was circulated and specialty coffee cupping sessions were

conducted. UCDA worked with Center for Promotion of Exports from Developing Countries (CBI-Netherlands) to operate the booth and supported 5 farmer groups with space to promote their coffee. Uganda coffee was promoted through providing information on coffee trading and investment.



Ms. Brenda Kemigisha – competing at the World Cup Tasters Competition in Gothenburg, Sweden

Specialty Coffee Association of Japan (SCAJ) Exhibition

Uganda coffee was promoted at the SCAJ exhibition and conference held at Tokyo Big Sight West Hall 4 in Tokyo, Japan themed "Invitation to diversity". The expo attracted coffee buyers, equipment manufacturers, roasters, distributors and retailers in Japan and Far East countries. Information on the coffee trading and investment in Uganda was provided. Crystal Coffee, a Uganda coffee buyer, roaster, distributor and retailer based in Nagoya, Japan was supported to promote its products. Contacts with potential buyers such as Wataru & co ltd were made.

Uganda North American Association (UNAA) Annual Convention

Uganda coffee was promoted at the 28th UNAA Annual Convention and trade expo, in Boston MA, USA which attracted about 3,000 Ugandans. The attendees were given an opportunity to taste fine Uganda coffees and information was disseminated.

2.5.3 Beijing Chenao Coffee Company Ltd "(BCCCL)

UCDA's joint venture in China (BCCCL) promoted Uganda coffee at 7 trade fairs ; one-day commodities' Bazaar at Buiyun Airport, Guangdong Innovative Technology College (GITC), Fujian Province's 3-day Ningde Exhibition 2015, Milano Tutto FOOD Expo 2015 Italy, Food Hospitably World China 2015, 23rd Consulates' Trade Exhibition 2015, Guangzhou and the official launch of Wuhan Coffee Museum Expo. Coffee was also promoted during the 52nd Uganda independence anniversary,

BCCCL organized the China Business Forum under the Theme: "Fostering Uganda-China Economic Co-operation" at the Emerald Restaurant and was addressed by H.E. Y.K Museveni the President of the Republic of Uganda. It attracted 45 participants who included Green coffee traders, roasters, Coffee shop operators, coffee consumers and logistics firms.

By close of the year, the Joint venture had started producing instant coffee and samples had been distributed to Emeralds Café, the promotion Centre in Pazhou; and Yu Café in Beijing. As a result of this initiative, the Sungrace Inv. Co. Ltd. had procured 2 containers of Mt. Elgon A & Sc 18.

Exports to China increased by over 100% from 10,696 bags in 2013/14 to 20,968 bags in 2014/15. This increase is mainly attributed to the efforts of the promotional centre in Guangzhou.

2.5.4 Development of protocols for the Fine Robusta Coffees for the specialty market

Five (5) workshops on standards were held to inform the development of Specialty Robusta Coffee Standards.

R certification training workshops were held in Robusta Fine coffee grading techniques, attracting 15 participants who acquired skills in descriptive cupping, physical coffee grading and roast coffee matching. Thirteen (13) participants were certified as Star Cuppers, 2 certified as R graders and one assistant instructor was upgraded to a lead instructor.

2.5.5 Development of a Uganda Specialty Coffee Profile

UCDA has continued with the profiling program that involves the mapping out of coffee production areas and describing their distinctive characteristics according to altitude, rainfall and soil type. In this program, for 170 Arabica samples, 158 were analysed for physical and sensory attributes. 170 soil samples were collected with the corresponding GPS information from 12 districts i.e. around Mt. Rwenzori area, Rukungiri, Rubirizi, Ibanda, Kisoro, West-Nile and around Mt Elgon area.

Physical grading results:

- Bean density ranged from 0.68(Bududa) to 0.72(Kapchorwa)
- Out-turn ranged from 82.40%(Bulambuli) to 92.01%(Paidha)
- Screen Retention ranged from 72.79%(Kasese) to 85.99%(Kapchorwa)

Sensory grading results:

- Fragrance range 6.63(Bududa) to 7.54(Kapchorwa)
- Flavour range: 6.85(Kasese) to 7.5(Kapchorwa and Nebbi)
- Acidity range: 6.88(Bududa) to 7.52(Kapchorwa)
- Body range: 7.00(Bulambuli) to 7.50(Nebbi)

Coffee Biochemical analysis

- By end of the reporting period, results of 212 Arabica samples were being analyzed at the Directorate of Government Analytical Laboratories (DGAL).

Soil Nutrient analysis

- Provisional results of 421 samples from 53 districts sampled were received. Several cases of districts under critical levels of basic components of the soil were reported

2.5.6. Centre Of Robusta Excellence (CORE) Project

A 3 year project funded by aBi-Trust and UCDA to make Uganda a center of Robusta Excellence was being implemented in 30 micro centers located in a number of districts. The major achievements of the project in its second year of implementation are reflected below in line with the project objectives:

Objective 1: To build capacity both internally and externally so as to become a point of reference for Robusta coffee.

The following were achieved:

- 3 laboratories were set up and are operational
- Analyzing coffee samples for export, profiling and specialty coffee trial.
- Training of demo host farmers
- Procured more laboratory equipment and consumables, cupping tables, grinders, mobile booth, laboratory instruments
- Four (4) project staff members were trained in processing and production process by the Coffee Quality Institute (CQI) USA.
- Distributed 30 collapsible tarpaulins and 90 drying trays for demonstration to farmers.
- Two (2) induction sessions to impart Basic Quality Control (BQC) skills to the Regional Coffee Extension Officers (RCEOs) were held, sensitized 1,681 farmers (503 female and 1,178 male) on GAPs by RCEOs in 3 regions across 22 districts.
- Established 30 micro centres in 40 districts
- Facilitated the set-up of demonstration sites for 90 farmer groups of 25-30 farmers after a needs assessment.
- Farmer data was compiled.
- A Q Robusta course was held
- One trainee certified as an R Instructor.

Objective 2: To improve the quality of Robusta coffee by ensuring best practices with respect to Sanitary and Phytosanitary (SPS) and food safety principles and application of standards

- 298 Robusta coffee samples collected and analyzed for physical and sensory attributes.

Physical-

- Bean density - Average 0.7582gm/range (0.72544- 0.7582)
- Bean size above SC 1500 range 52.99 to 88.43 %
- Common defect - insect defect beans (0-37 beans in 100gm)

Sensory

- Common flavor notes were chocolate, caramel, citrus to mention a few
- Partial results of biochemical analysis of 320 coffee samples and nutrient analysis of 421 soil samples received
- Developed Terms of Reference (TOR) for sourcing the traceability system software developer
- Two research proposals on fermentation and harvest developed
- Held a meeting with NaCORI on characterization and valorization of Robusta germ plasm and research collaborations
- A total of 497 farmers were trained and sensitized on fine coffee production by demonstrating the best practices in the districts of Bukomansimbi, Rakai, Ntungamo, Sheema, Bushenyi, Rukungiri, Kamuli, Kaliro and Luuka, Luwero, Mubende, Mpigi, Kyenjojo, Kabarole, Mayuge, Iganga, Bugiri and Masaka.
- 30 out of 40 farmers selected participated in specialty trials
- A total of 48 samples were collected and analyzed to establish the potential for specialty coffee production. All samples scored between 75 - 82 points based on the SCAA scale.
- Three (3) Brochures on specialty and fine coffee production, coffee traceability and GAPs printed and disseminated
- Four day workshops facilitated by Centre of Robusta Excellence (CORE) were held in Bushenyi and Masaka. A total of 50 coffee farmers attended (8 female and 42 male).

Objective 3: To promote the production of Robusta through introduction of technology, carrying out research and development, and deliberate promotion of Robusta growing

- Five (5) radio stations were engaged to air informative advertisements on GAPs and GPHPs
- Distributed 500 farm field record books to beneficiaries to monitor extension services
- Sensitized and trained 113 farmers hosting the demos on GAPs (including stumping, soil management and Pesticide control), Post-Harvest Handling Practices (PHHPs) and different Coffee processing methods (pulping, hulling, roasting, brewing & cupping).

- Ninety (90) demos set up with a total of 270 demo plots set up in 3 regions being prepared- cleaning, making trenches, applying fertilizers, stumping etc.
- Specialized zip-able drying bags and 90 drying beds for simple storage were distributed to demo farms.
- Mini-pilot wet processing equipment delivered to regional centers.
- Received 3 mini processors for distribution to regional centres
- Distributed 14 hand hullers to micro centres

Objective 4: To strengthen promotion of marketing of Uganda Robusta through information sharing and exchange, education and training as well as communication so as to market the available coffee varieties.

- Promoted coffee at Busoga Yaiffe convention, corporate companies- Banks, and secondary schools
- Displayed finished products and provided brewed coffee for tasting
- Participated in the coffee and health campaign in Bushenyi and Mbarara
- Promoted coffee in the districts of Kamuli, Isingiro, and Iganga and Micro centers.
- Disseminated information on health benefits of consuming coffee and conducted coffee tasting sessions.
- Participated in the IACO Exhibition and disseminated information on CORE activities.
- Carried out Quarterly field visits to monitor the performance of project activities at all 3 regional centres.



UCDA CORE Staff Mr. Moses Asimwe demonstrating Soil Testing



Chapter Three

**Coffee Production
Programmes**

Coffee Production Programmes

3.0 Introduction

Implementation of programs aimed at increasing coffee export volumes developed under the coffee production campaign continued during the Coffee Year 2014/15.

These programs are aimed at increasing coffee production through generation of clean planting material, promotion of the re-planting program and yield improvements of existing old coffee trees. These programs include:

- Continued support to generation and production of clean planting material through tissue culture, seed sourcing, and support to clonal propagation of the Coffee Wilt Disease Resistant lines for mass multiplication and distribution to farmers.
- Support to coffee replanting through private commercial nurseries; direct provision of seedlings to District Local Governments (LGs) in collaboration with Operation Wealth Creation (OWC) and other various special interest groups.
- Improving farmer productivity through rehabilitation of the old coffee trees by supporting establishment of demonstration sites at various community locations for purposes of training; and direct support to willing farmers in rehabilitation through pruning, stumping and soil amelioration.
- Promoting Coffee production in new areas especially Northern Uganda by integration of commercial coffee and banana production into the farming system.
- Promotion of Sustainable Coffee Production Initiatives through Good Agricultural Practices (GAPs) and certification so as to increase the unit value of coffee at farm - gate level.
- Continued deliberate support and strengthening of Coffee Research by provision of financial, technical and material support.
- Support to collaborative participatory coffee Extension with other stakeholders.
- Provision of technical extension services to improve quality at post- harvest level and ensure enforcement of the coffee regulations.
- Strengthening the functions and visibility of the Regional offices so as to provide better services to the coffee stakeholders in rural areas.
- Provide leadership in coordination and

implementation of key activities under the coffee production campaign together with other stakeholders.

3.1 Promotion of Planting Material Generation

Efforts were made to create a sustainable demand driven initiative in production of coffee seedlings, using elite seed and vegetative cuttings. It involves provision of clean certified seed to various farmer groups and private commercial nursery operators, support to nursery proprietors involved in vegetative propagation and sourcing biotechnology services for mass multiplication of clonal material through tissue culture. Key achievements under this programme included:

- 57.2 MT of Elite Robusta and Arabica seed were distributed to private nursery operators through field officers, Local leaders, Political leaders, organized farmer Associations and Exporter based farmer groups. This potentially raised 114.4 million seedlings.
- No Albizia tree seed was procured and distributed to farmer groups. This is attributed to coffee scientists' findings that it is an alternate host to the Black Coffee Twig Borer pest that is currently infesting mainly Robusta coffee.
- Multiplication of CWD – Resistant lines is being carried out by various nursery operators. By close of the year, 151 mother gardens had been established, with a total of 125,700 mother bushes. Out of these, 79 had been given support in form of equipment and materials to construct shades. In addition, 44 operators had used the generated cuttings to expand their respective mother gardens.
- Tissue Culture – a contract was secured with a Private firm FICA Kyenjojo for generation of 500,000 tissue culture seedlings.
- Seed gardens at Ngetta Zonal Agricultural Research and Development Institute (ZARDI) in Lira District, Buginyanya Coffee Research Station (Bulambuli District), Zombo (Zombo District) were supported. These sites were able to generate 3,560 Kgs of seed. These sites have ensured a sustainable source of clean and certified seed.

3.2 Management of Diseases and Pests

There was increased awareness on the infestation of pests especially by the Black Coffee Twig Borer, which continues to spread within the Robusta growing regions.

Several interventions were put in place to address infestations caused by the Black Coffee Twig Borer, Coffee Leaf Rust, Caterpillars, Stem Borers, Coffee Berry Borer and Red Blister Disease.

- Surveillance reports indicate a slight decline in the rate of spread and infestation by the Black Coffee Twig Borer .
 - o Spraying against the Black Coffee Twig Borer was done in all the Robusta regions. In this regard, a total of 7,400 liters of chemical were procured; 3,200 liters used to spray 3,600 acres, benefitting 5,360 households.
 - o 34 Integrated Pest Management (IPM) demonstration sites were maintained in 34 districts.
- Fifty (50) motorized pumps were procured to ease and fasten the speed of spraying and create efficient use of the chemicals.
- For Coffee Leaf Rust (CLR) and Coffee Berry Disease (CBD), severity was low in the Arabica growing areas.
- 40 Radio programs were aired to create awareness in addition to posters and flyers.
- Continued support provided to the National Coffee Research Institute (NaCORI) to continue with surveillance and characterization of the Black Coffee Twig Borer and other pests and diseases.

3.3 Promotion of Coffee Replanting

As part of the Strategy to increase coffee production, communities and farmers were mobilized for sustainable coffee planting. This involved collaboration with District Local Governments (DLGs) and Operation Wealth Operation (OWC), and other sub sector stakeholders under various

arrangements. The following were achieved;

- A total of 85.881 million seedlings were planted under various initiatives benefiting 435,474 households.
- A total of 460,000 seedlings were planted by 39 commercial farmers.

3.4 Coffee Rehabilitation

This program is intended to improve coffee yield per tree from at least 0.5 kg to 1.0 kg of clean coffee. The initiative is to create awareness amongst farmers through: demonstrations, training and sensitization to stump and prune the old coffee trees, in addition to GAPs including appropriate soil and water management practices.

- In order demonstrate the benefits of rehabilitating old coffee trees, 250 demonstration plots (1 acre each) were established by farmers for yield improvement and to act as centers of training and knowledge acquisition.
- Fifty (50) farms were supported to act as demonstrations on sustainable soil management practices. This support included: establishment of tree nurseries, sensitization and training for farmers. Farmers were encouraged to use these sites as learning centers for adaptation to climate change.
- Fifty (50) farmers were supported with domestic water harvesting equipment (water tanks and polythene sheets). This ensured water availability for coffee and domestic use, besides acting as demonstrations to other farmers.



High Yielding Robusta Coffee tree

3.5 Support to Coffee Development in Northern Uganda

The major goal is to create wealth and improve the welfare of the people in the non-traditional coffee growing areas through sustainable income and to ensure food security.

The intervention was carried out in the following districts: Apac, Kole, Gulu, Kitgum, Lira, Pader, Oyam, Amolatar, Dokolo, Nwoya, Alebtong, Lamwo and Amuru.

The main objective is to support adoption of production of coffee as a perennial cash crop grown on commercial basis i.e. incorporate coffee/banana and cover crops farming in the existing farming system

Achievements

- Eight (8) sensitization workshops and seminars held for local leadership and other stakeholders .
- Eighteen (18) radio programs (540 minutes) were aired on different radios in the region. The messages address all activities along the coffee value chain.
- Fourteen (14) farmer groups and were formed while six (6) – one day workshops were held to build capacity of farmer group leaders in group dynamics to enable them manage groups and associations more effectively and efficiently.
- A total of 2.518 million coffee seedlings were raised by private nursery operators in the region. Out of this, 815,594 seedlings were planted together with 50,000 shade trees, 6,000 banana suckers benefitting 3,600 households.
- Fourteen (14) Farmer Field School (FFS) sessions were facilitated with 420 participants.
- Fifteen (15) technology development sites were established. They act as training and demonstration sites on new technologies as well as multiplication fields for banana suckers which are distributed to farmers for intercropping with coffee.
- Eight (8) workshops were conducted on processing and market development
- A total of 169.9 MT of Kiboko were sold by farmers at an average price of Shs. 2,000 per Kilo.
- In collaboration with NaCORI, 2 Coffee Characterization surveys were carried out highlighting both agronomic and quality attributes .

3.6 Promotion of Sustainable Coffee Production Initiatives

The strategy is aimed at improving value addition at farm level and support penetration to niche and specialty markets. The following were achieved under this initiative:

- Twenty nine (29) Farmer groups practicing sustainable practices were registered; Kasese (3), Zombo (4), Bushenyi (2) Kapchorwa (4), Kween (2) Sironko, Kisoro (1) and Kasese (2), Bulambuli (2) Mbale (3) Bududa (3) Manafwa (2) Mayuge (1) Nebbi (2) Lwengo (1) Bukomansimbi (1) Kabarole (1) Ibanda (1) Sheema (2)
- Ten (10) farmer groups trained in all aspects of the sustainable coffee production systems.
- Support was given to Gumutindo Cooperative Society to cover Certification fees for Organic / Fair trade.
- A Soil analysis report submitted by University of Florida (UF) highlighting soil nutrient status across the country was produced .

3.7 Farmer Training and Extension Liaison

In collaboration with other stakeholders (Local Governments, Projects, CSOs), regular farmer training was carried out as a way of improving farmer knowledge and skills. The following were achieved:

- Four (4) inter regional field trips were undertaken by farmers. The objective of the tours is for the farmers to learn and appreciate the practices of their colleagues in other regions. This helps in knowledge sharing and transfer leading to adoption and better farming practices.
- Twenty eight (28) coffee shows were held in 28 districts. The main purpose of the coffee shows is to showcase better practices along the Coffee Value Chain (CVC) and create interaction between farmers and other stakeholders, especially input suppliers. It was done in collaboration with other stakeholders under the coffee production campaign .
- A total of 382 seminars were carried out benefitting 38,640 farmers (7,760 women) in all coffee growing districts. These training seminars address all aspects of coffee production, quality improvement and enforcement of coffee regulations
- Fifteen (15) Radio stations were used to air 5,400 minutes of educative messages in 5 major regional languages. Farmers were sensitized on various issues along the Coffee value chain with respect to farm activities and any emerging

- issues such as disease and pest out- breaks.
- Twelve (12) National Steering Committee (NCS) Meetings of the Coffee Platform were held. Some of the key achievements were:
 - o Finalization of the extension materials
 - o Implementation of the pilot district extension project
 - o Evaluation of the performance of the Coffee Platform .
- In collaboration with the NSC of the coffee production campaign, twenty four (24) district coffee platforms were facilitated to sensitize farmers and processors on quality at post-harvest.
- The Annual Stakeholder Meeting of the Coffee Platform was held in December 2014 attracting over 250 participants. Some of the presentations and deliberations centered on the following:
 - o Smallholder coffee farmer needs
 - o The challenges and dilemma of the low coffee prices and impact on farm activities
 - o An update on the National Coffee Strategy development .
 - o Coffee Research – new approach .
 - o Discussions on performance of the NSC

3.8 Provision of Technical Extension Services and Quality Enhancement

As part of the quality improvement drive, the following programs were implemented to ensure that quality aspects are upheld at post – harvest

level, in addition to enforcement of the Coffee Regulations, the following were achieved:

- A total of 536 buying stores were registered and licensed
- A total of 441 primary processing plants factories licensed .
- 58 companies registered as exporters.
- 36 Export grading factories were licensed
- 13 roasters were also registered
- Thirty six (36) workshops were held for traders and buyers, attracting 410 processors and buyers
- To improve quality in Eastern, Central, South –Western and Western Regions; 4 Multi Stakeholder task forces were set up and 2 regional task forces were conducted in West Nile Sub Region and Western Region. The following were achieved:
 - o Operations of 22 stores and 18 factories were suspended and culprits prosecuted by police.
 - o Mal-practices of post-harvest handling were observed in almost all the areas visited.
 - o Offenders at farm level were sensitized and warned on harvesting green beans and drying on bare ground.
 - o Publicity of good handling and storage practices was carried on local Radios and National TVs, enhancing visibility of UCDA.



Good Drying practices



Flowering coffee at UCDA-demo



Properly stumped coffee garden



Demonstration of good drying practices technology



Some of the USA roasters that participated in the coffee origin tour organised by CORE.



Chapter Four

Coffee Research

Coffee Research

4.0 Introduction

Research in Arabica coffee varietal improvement aims at raising the yield from the current 1.5 towards 5-7 tons per hectare per year of clean coffee as obtained in South America. During the period under review, 19 lines [17 Elgon A lines and 2 CB] had been undergoing evaluation in multi-location trials in Kapchorwa, Bulambuli and Sironko since 2014. In a bid to introduce desired genes 53 F1 Arabica hybrids were planted in trials at Buginyanya Zonal Agricultural Research and Development Institute (ZARDI), Bugusege Coffee Research Station and National Coffee Research Institute (NaCORI) Kizuza for assessing their responses to Coffee Leaf Rust (CLR), Coffee Berry Disease (CBD) and other diseases in addition to yield and quality. In the subsequent year, responses of the materials to disease and pests, and morphological traits at fruit expansion and fly crop ripening would be assessed.

Robusta coffee breeding presently focuses on broadening the genetic base of cultivable Coffee Wilt Disease (CWD)-resistant varieties adapted to different agro-ecologies. This is driven by inability of the 7 recently released CWD resistant varieties to adapt to all the Robusta coffee agro-ecologies of Uganda, coupled with their low yields of 2-3 tons/ha/year. Accordingly, 43 new CWD-r lines and 17 Robusta coffee hybrid progenies are undergoing evaluation on-station at Kizuza and on-farm in various locations. Of these, lines (J24/13/20/4 and J94/2/64/1) showed resistance to leaf rust in all trials. Varieties JB109.4/5/1, J24/13/20/4, J1/14/21/1, UFCT and 3/15/1 had highest mean canopy diameter. And two good performing clones 2/15/1 and 245/21/5 had been selected by the close of the year and would be submitted for release.

NaCORI generated 38,114 CWD-r plantlets using tissue culture and 29,515 plants using nodal cuttings, and distributed them to nursery operators. In addition, 450 Kg of Arabica seed and 15,000 seedlings of Arabica (SL14 and KP423) were raised and distributed to nurseries and farmers respectively. To meet the increasing demand for quality seedlings of Robusta coffee from nursery operators, strides were made to expand the existing mother garden at NaCORI Kizuza targeting 10,000 mother plants. This

effort would continue in the next financial year. At the same time, construction of a new multi-purpose bio-technology laboratory at the NaCORI main campus at Kizuza, Mukono would be completed by December 2015 and, thereafter, equip it. Research into the pathogens causing mortality of plantlets in the nursery shall be intensified in order to assemble appropriate management strategies.

Research on the black coffee twig borer (BCTB) *Xylosandrus compactus Eichhoff* continue to show that it is yet to be detected in Mt. Elgon zone and Northern Uganda. Efforts to further develop trapping technologies for BCTB have specified use of red colored alcohol baited traps placed at lower third of tree canopy is most effective. A predatory ant *Plagiolepis* sp. had been found to control BCTB by upto 24% in Uganda. In the next year 2015/16, BCTB trapping technology would be completed with specifications for traps density per coffee acreage, timing and duration of placement, lure concentration and integration with other control options culminating into an updated Integrated Pest Management (IPM) protocol for control of BCTB for use by farmers would be published.

In coffee wilt disease (CWD) management research, work on screening of different primer bands for specificity to CWD resistance identified 11 bands that are specific to CWD resistance which are awaiting sequencing. In the subsequent year 2015/16, field tests of the CWD detection protocols for both infected soil and plant parts diagnosis would be completed and a toolkit made available. In addition, a distribution map of coffee diseases and updated package would be disseminated.

Three (3) appropriate shade-trees per region have been recommended. Use of *Albizia correira* shade trees has also been recommended for soils deficient in nitrogen. In the coming year, 2015/16, a full country inventory of recommended shade-tree systems would be completed and published.

NaCORI provided technical back-stopping to address insect pest outbreaks in the districts of Buikwe, Bulambuli, Kapchorwa, Mbale, Manafwa, Masaka and Mbarara and found that the rose bug, *Adoretus* sp. and the yellow headed borer, *Diphyya* sp.

have emerged as insect pests of concern on coffee in the country. In addition, coffee technologies were promoted through coffee shows in 22 districts in central, mid-western, eastern and northern Uganda, and the World Food Day celebrations at National Crop Research Resources Institute (NaCRRRI), Namulonge. NaCORI staff also visited and trained 35 nursery operators in 10 districts of different regions of Uganda on nursery management techniques.

4.1. Coffee Variety Improvement

4.1.1 Arabica Coffee

4.1.1.1 Arabica Coffee Germplasm collection, evaluation and maintenance

Arabica coffee collections assembled at NaCORI, Kizuza comprise 117 entries sought worldwide between 1950 and 2010. Other than the SL14 with good liquor and partial resistance to coffee berry disease (CBD) that was adapted and promoted for growing in the high altitude areas and KP 423 having

good cup quality adapted for the lower altitude areas as it has good tolerance to coffee leaf rust (CLR) and Bugisu local, SL28, KP 162 have been and are being grown by farmers in some areas, the rest are only in maintenance fields. Little is known about them except for Hybrid de Timor which is tolerant to CBD, 3 Papua New Guinea introductions that are high yielding and tolerant to CLR and, 2 Indian lines that have shown high tolerance to CLR. During the period, the germplasm materials underwent rehabilitation following intensive damage by hailstorm in the previous year.

The action required here is to immediately characterize this collection and identify those with traits to be used in a vibrant crossing program.

4.1.1.2 Development of Arabica coffee varieties with resistance to leaf rust, CBD, high yield and desired market attributes

Some of the materials from the 117 collection are undergoing evaluation (Table 4.1) with the aim of identifying lines that can be released as varieties.

Table 4.1: Evaluation trials to identify selections for Arabica coffee variety release

#	Description of Activity	When started	Current status
a	Evaluation of 17 Elgon A lines and 2 CB varieties	These are selections made in 1996 and have since been undergoing on-station evaluation at Kizuza	Undergoing evaluation in multi-location trials in Kapchorwa, Bulambuli and Sironko since 2014.
b	Evaluation of 12 families of introductions from Ex-cooke Islands	Introduced in 1993 and although evaluations started at Buginyanya and Kawanda, due to a break in the process and apparent segregation, work resumed in 2013	77 individuals that yielded equivalent or above 1500kg of hulled coffee per hectare per annum were selected for assessing for response to diseases and quality
c	Arabica F1 intra specific hybrids (Kizuza, Bugusege and Buginyanya)		53 F1 Arabica hybrids were planted in trials at Buginyanya ZARDI, Bugusege and Kizuza for assessing their responses to CLR, CBD and other diseases in addition to yield and quality

4.2. Development of Robusta coffee varieties with resistance to CWD, coffee leaf rust and desired quality

4.2.1 Robusta Coffee Germplasm collection, evaluation and maintenance

The collection of Robusta coffee germplasm is constituted by 2,307 clones that comprise 2051

locally collected from Ugandan farms and forests, 198 introduced from Ivory Coast and 58 from CIRAD in addition to 191 hybrids. It is from this collection that the current 7 CWDr were developed, although their full characterization has not been done. Evaluation of some of them for variety development is ongoing as shown in Table 2 below.

4.2.2 Development of Robusta coffee varieties with resistance to CWD, Red blister disease, and high yields and desired market attributes

By the year's close, some of the materials from the 117 collection were undergoing evaluation (Table 4.2) with the aim of identifying selections that can be released as varieties.

Table 4.2: Evaluations to identify Robusta coffee varieties for release

#	Description of Activity	When started	Current status
A	On-station evaluation of Robusta coffee lines for yield, quality, resistance to CWD, CLR and red blister disease	395 clones planted at Kituza in 2010, although work was restarted in 2015 following rejuvenation of coffee trees after hailstorm damage	Undergoing assessment for response to leaf rust and vegetative vigor
B	On-farm evaluation of 10 CWD-resistant Robusta coffee lines for yield, quality and CLR resistance	10 CWD-r clones of high genetic potential undergoing evaluation in multi-location trials in Kayunga, Nakaseke and Bukomansimbi since in 2012.	Morphological features which are relevant for describing the varieties were determined. Out of the 10 test varieties, 9 had better yield compared to control variety KR1, in the first year of the first cropping.
C	Multi-locational testing of 24 CWD-r lines	24 CWD-r genotypes of high genetic potential, undergoing evaluation for yield, resistance to leaf rust, red blister and quality, in multi-location trials in Ibanda, Kamuli, Mityana and Nakanyonyi since 2007	Morphological features which are relevant for describing the varieties were determined. Two good performing clones (2/15/1 and 245/21/5) selected and would be submitted for release by the end of June 2016
D	On-station evaluation of hybrid progenies of CWD-r and desired CWD-s parents	190 hybrid progenies, which were generated at different times and planted at different times, undergoing evaluation at Kituza since 2004	Yield potential of 60 progenies, was determined and 17 clones of high yield potential were selected for evaluation in replicated on-station trials

4.2.3 Development of an efficient and effective coffee seed system

4.2.3.1 Production of quality planting materials of the 7 CWD resistant Robusta as well as seed for Arabica coffee

During the period under review, cultures of varieties KR4 and KR5 were raised on various new media formulations and their development showed the best media for Robusta varieties KR4 and KR5, and for generating Arabica coffee plants.

A total of 43,506 (5,392 plants from Agro Genetic Technologies (AGT) Buloba, and 38,114 from NaCORI Tissue Culture (TC) laboratory were distributed to nursery operators. Additionally, 29,515

plants were generated by stem cuttings and given to nursery operators. Pursuant to this endeavor, the mother garden at NaCORI was considerably expanded with addition of one hectare of mother bushes and expansion was ongoing at the year's close where two more hectares of forest had been cleared for further planting of mother bushes (Figure 4.1).

Also, 450 kg of Arabica seed and 15,000 seedlings of Arabica were raised at Bugusege and availed to nurseries and farmers respectively.

Overall, 35 nursery operators from 10 districts in different regions in Uganda were visited and trained on nursery management techniques .

4.3 Enhancing quality planting production through development

During the year 2014/15, the construction of the tissue culture/biotechnology laboratory continued. This was aimed at solving the urgent need to fast multiply and avail quality CWDr lines and start exploring in the ventures of utilization of biotechnological tools to enhance coffee productivity. The construction of the bio-technology laboratory has progressed (Figure 4.2) and would be completed by December, 2015.

4.4 Coffee Integrated Pest Management (IPM)

4.4.1 Towards understanding, development and promotion of sustainable management options for the black coffee twig borer (BCTB)

4.4.1.1 Information on spread and impact of BCTB in the different coffee agro-ecologies of Uganda

BCTB surveillance in the country showed that the pest is present in all the Robusta growing zone but yet to be detected in Mt. Elgon Arabica coffee zone and in Northern Uganda including West Nile. The BCTB affected regions of central, mid-eastern, central, south and mid-western continue to experience severe damage, with the severest damage of over 50% witnessed in mid-eastern and south-central Robusta coffee growing areas.

Analysis of adult BCTB and associated ambrosia fungi collected from Masindi, Hoima, Kibaale, Kyenjojo and Fort-portal that revealed a new and 3rd morphospecies of BCTB in Kibaale and 2nd morphospecies of ambrosia were observed.

Field diagnostic studies conducted in mid-western region revealed that the drivers of BCTB population dynamics are multiple: stem coffee training; shade intensity, presence of weeds and multiple suckers; presence of alternate hosts; and climatic conditions.

On BCTB-host-fungal interactions, identification based on morphology and growth characteristics on media of 33 purified ambrosia isolates (Figure 4.3) from central, south-central, mid-eastern, south-western and mid-western coffee agro-ecologies revealed 2 strains of the fungus.

When coffee and cocoa seedlings were inoculated with BCTB-associated ambrosia fungus (Figure 4.4) in order to determine the mechanisms of wilting following BCTB attacks, there was no disease development in coffee seedlings whereas cocoa seedlings wilted. This implies that the ambrosia fungus is partly responsible for wilting in the cocoa following BCTB attacks.



Figure 4.3 : Isolating ambrosia fungal material to test for pathogenicity



Figure 4.4: Inoculating coffee plants

4.4.2. Screening chemicals for control of BCTB and associated fungal complex

During the period, on-farm field pesticides screening sites were established in Buikwe, Kamuli, Masaka and Mitooma districts, but treatment application was postponed due to ripening of the coffee. On-station field trial site had been fully rehabilitated following hailstorm damage and therefore ready for setting of another trial by closure of the year.

4.4.3 Developing trapping and repellent technologies for BCTB Management

Modified Brocarp-ethanol-based lure traps (Figure

4.5) captured more adult BCTB when they were placed at lower third of the canopy levels of the coffee trees than those placed in the middle and upper sections. These results agree with earlier studies on the distribution of BCTB damage along the coffee canopy. Therefore, traps should be placed in the lower section of the coffee tree canopy for maximum captures of BCTB. However, on-station results for the best-bet trap color (Figure 4.6) for maximum BCTB captures are still contradictory, probably due to low BCTB infestation. This therefore calls for more research on farmers' fields where BCTB infestation is higher.



Figure 4.5: BCTB traps placed at different levels



Figure 4.6: BCTB traps of different coloration at same level

4.4.4 Evaluating predators and parasitoids for BCTB management

Two ants namely *Plagiolepsis* sp. and *Pheidole megacephala* were identified by NaCORI scientists as potential predators of BCTB and could therefore be used in BCTB biological control program. *Plagiolepsis* sp. was observed in 9 out of 11 districts surveyed and had been found to feed on all BCTB stages. Preliminary results show that this predator can control at least 24% of the BCTB in Uganda.

4.5 Development of sustainable technologies for management of coffee wilt disease

This study aims at developing quick and farmer-friendly methods for CWD in plants and soils using molecular tools as opposed to microscopy and symptoms. During the period under review, work on screening different primer bands for specificity to CWD resistance identified 11 bands that are specific to CWD resistance. These had been sent to Korea for sequencing and the results were still being awaited by close of the year. This would strengthen research,

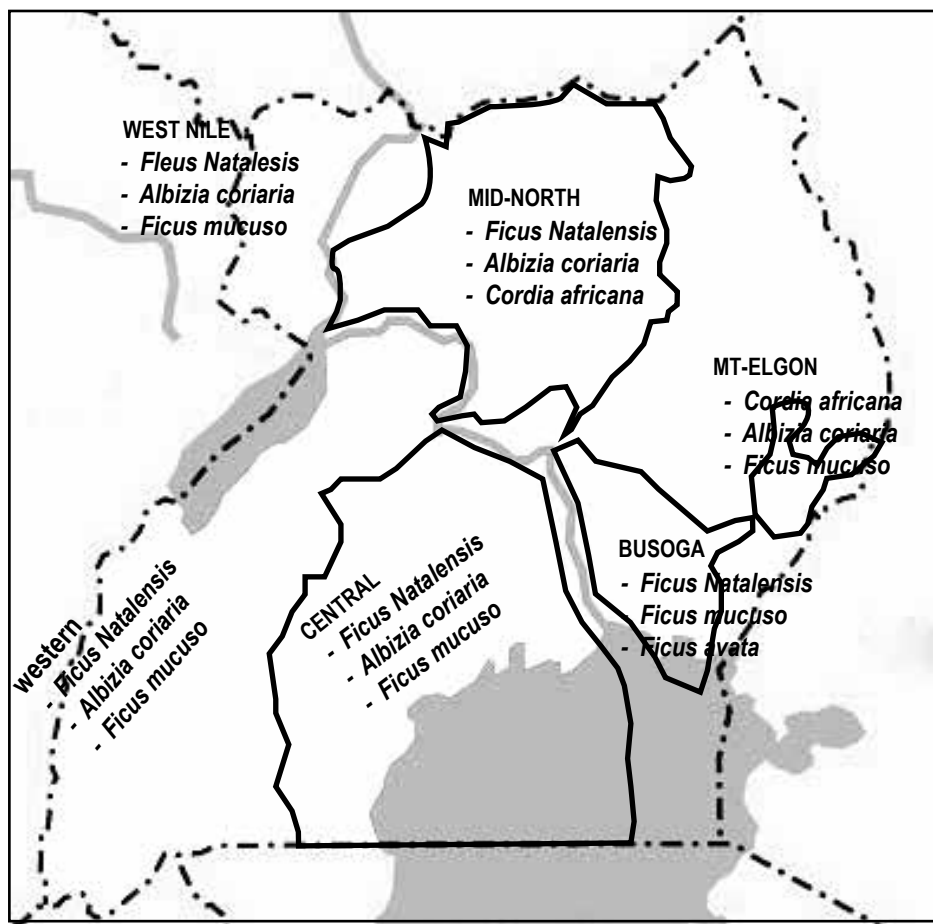
improvement in Robusta coffee health and provision of clean planting materials.

4.6 Coffee Production Systems

4.6.1 Diagnosis of coffee-shade tree systems in Uganda

This study is informed by reports that Agro-forestry systems enhance profitability, promote food security and mitigate climatic adversities.

In a bid to develop, adapt and promote improved coffee-shade cropping systems technologies for enhanced coffee productivity in different agro-ecologies of Uganda, during the period under review, three (3) appropriate shade tree species were identified and recommended for farmers for each region (Figure 4.7) and a brochure published to that effect. These include: - Central, West Nile and Western (*Ficus natalensis*, *Albizia coriaria*, *F. mucosa*), Mt. Elgon (*Cordia africana*, *A. coriaria*, *F. mucosa*), Busoga (*F. natalensis*, *F. mucosa*, *F. ovata*) and mid-northern (*F. natalensis*, *A. coriaria*, *C. africana*) coffee agro-ecologies.



According to Mukiibi (2011) working on soil nutrient contribution and factors affecting the adoption of *Albizia chinensis* trees in coffee farming systems in Mukono district, *Albizia* shade trees have been found to significantly increase soil nitrogen content (Figure 4.8) and therefore recommended for soils with nitrogen deficiencies, *A. chinensis* should not be introduced in new habitats since it promotes BCTB infestation through shade effects and being a good alternate host for the pest.

Figure 4.7: Map Showing recommended coffee shade trees in different agro-ecologies



Figure 4.8: *Albizia coriaria* (Mugavu) - A & *A. chinensis* for correcting nitrogen deficiencies in coffee - B



Figure 4.9: Arabica coffee - banana agro-forestry system in Sironko district

4.7 Promotion of contemporary technologies for improving coffee production and quality

NaCORI undertakes a number of promotional activities aimed at delivering contemporary technologies for improving coffee production and quality to various stakeholders. During the reporting period NaCORI undertook the following promotional activities:

- 9 NaCORI staff exhibited coffee and cocoa technologies at the World Food Day at NaCRRI, Namulonge;
- NaCORI staff demonstrated coffee technologies during coffee shows in 22 districts organized by CAFÉ Africa;
- NaCORI mass printed and distributed 17 categories of coffee technology communication materials.

4.7.1 Up-scaling and out-scaling coffee IPM technologies through FFSs

NaCORI operates 7 Farmer Field Schools (FFSs) established for purposes of promoting participatory technology development and dissemination within coffee farming communities. Improved coffee varieties and BCTB management technologies are presently being developed through the FFS. Other coffee management technologies are also verified and popularized through the FFS sessions. In this endeavor, 11 FFS sessions on coffee management conducted for Sosyo and Kesemulira FFSs (Manafwa), Kibowa United FFS (Sironko), Dikiri-en-tego FFS (Nebbi), Lonyu-ni-kweri FFS (Zombo), Twekembe FFS (Mukono) and Kizimbira FFS (Nakaseke).

Training implements and stationery provided to all the seven NaCORI operated FFSs.

4.7.2 Responding to farmer solicited technical backstopping

These technical backstopping activities are demand driven and are undertaken by NaCORI personnel in response to concerns of coffee stakeholders.

4.7.2.1 Diagnosis of reported wilting of Robusta coffee in Buikwe district and Arabica coffee in Mbale district



Figure 4.10: A Najeera - Buikwe farmer showing BCTB and, coffee stem borer in Busano -Mbale respectively

4.7.2.2 Diagnosis of reported insect pests out-breaks in Masaka and Mbarara districts

This activity was undertaken in response to reports by UCDA field staff in the districts of Masaka and Mbarara which indicated outbreaks of devastating by unidentified insect pests on coffee in Buwunga sub-county, Masaka district and Kakooba Division of Mbarara Municipality.

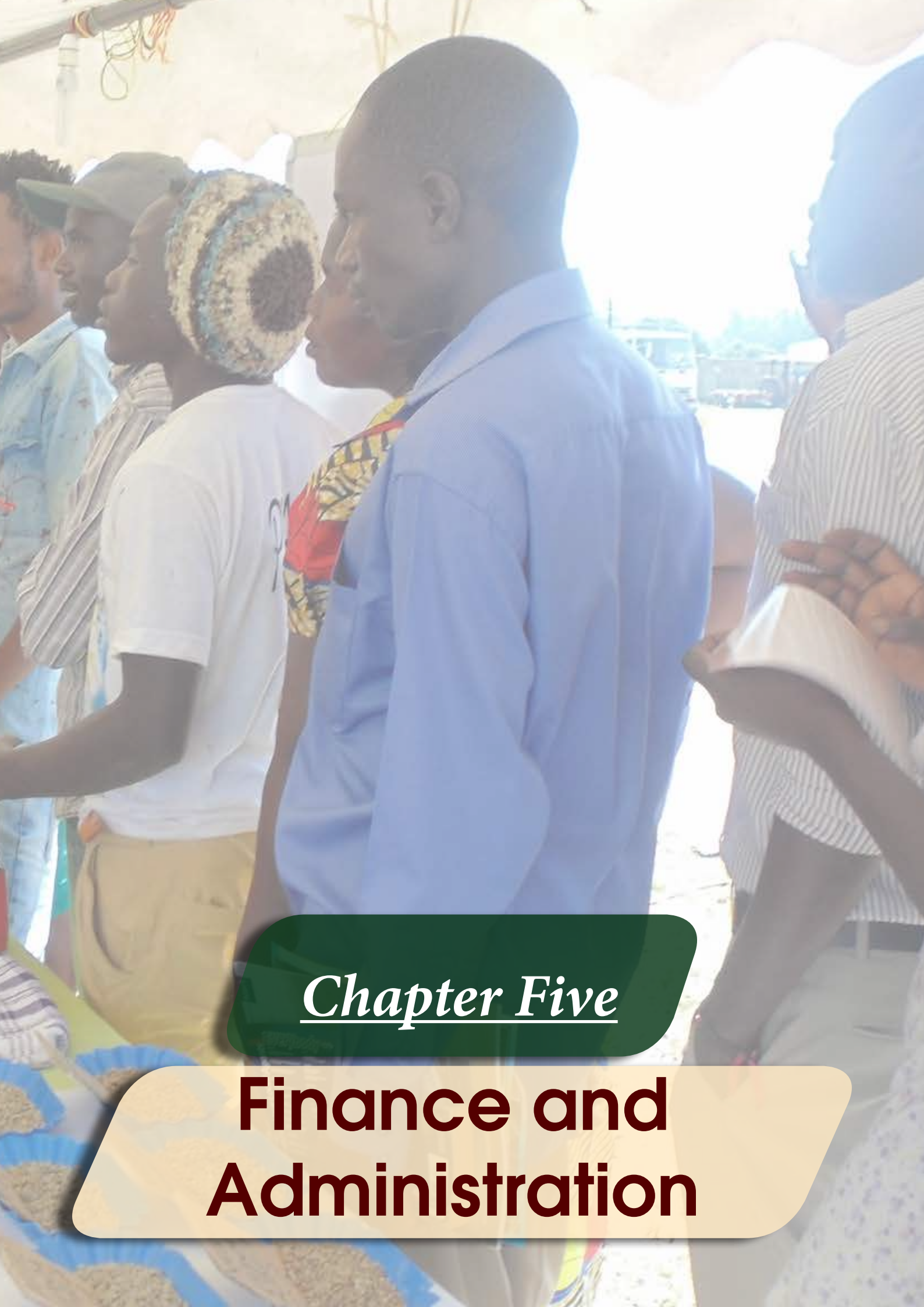
In Masaka, the reddish-brown beetles collected from both coffee canopy and loose soil at the base of coffee trees were identified as rose bugs, *Adoretus* sp. (Coleoptera, Scarabidae, Rutelinae).

In Mbarara, the rampaging insects were conclusively identified as white waxy scales, *Gascardia brevicauda* (De Lotto) (Hemiptera, Coccidae, Rutelinae) (Figure 4.10).



Figure 4.10: Rose beetle effects on leaves (Masaka) above & waxy scales on stems and leaves below





Chapter Five

Finance and Administration

Finance and Administration

5.0 Introduction

In Coffee Year 2014/15, our major focus was on laying foundations for strengthening institutional capacity for better responsiveness to stakeholder demands, refocusing our strategic foundations, as well as safeguarding corporate governance principles.

UCDA developed its new three-year Corporate Plan for the period 2015/16 to 2017/18 intended to operationalize the Uganda National Coffee Strategy (UNCS) and the National Development Plan 2 (2015/16-2019/20) and Uganda Vision 2040 components that are within the mandate of UCDA. A new strategic direction was charted. The Corporate Vision developed is “A sustainable coffee industry with high stakeholder value for social economic transformation”, while the Mission is “To facilitate increase in quality coffee production, productivity, and consumption.” In pursuit of this mission, UCDA will be guided by the following Core values:

- Team work
- Professionalism
- Client focus
- Integrity
- Accountability with foresighted leadership as central to its work.

In keeping with the provisions of the Statute, UCDA ensured that its revenue was sufficient to meet its planned expenditure. The Authority received funds totaling to Shs. 46.408 billion to implement its programs. Government Contribution, Cess income, Rent from properties, and Registration fees were the major sources of funding.

5.1 Corporate Governance - Board of Directors

The Board of Directors considered and approved the following;

- The 2015/16 - 2017/18 Corporate plan and organizational structure,
- Budgets and work plans for Coffee Year 2015/16,
- Annual performance report for Coffee Year 2013/14,
- Renewal of employment contracts for; the Quality Assurance Manager, and two (2) Regional Managers.

The Board reviewed the Position paper for the revision of coffee laws and regulations. Furthermore, it held its annual retreat and the Directors were trained in corporate governance principles as well as performance evaluation.

5.2 Organisational Structure and Staffing Capacity

In the period, a total of 92 members of Staff were maintained on the UCDA structure, under the four departments of Production, Quality and Regulatory Services, Strategy and Business Development, and Finance and Administration. The following new members of staff were recruited:

- o Ten (10) Regional Coffee Extension Officers
- o Four (4) Quality Controllers
- o Two (2) Monitoring and Evaluation Officers
- o One (1) Information Technology Assistant
- o One (1) Internal Auditor
- o One (1) Human Resource Assistant
- o One (1) Assistant Procurement Officer
- o One (1) Stores Assistant

Table 5.1 shows the distribution of Staff in the respective departments in the 2014/15 Coffee Year.

Table 5.1: Distribution of Staff per Department

Department	Title	Number of staff
Office of the Managing Director	Managing Director	1
	Principals (Auditor and HR)	2
	Executive Assistant	1
	Driver	1
	Internal Audit	1
	HR Assistant	1
Finance and Administration	Board Secretary / Head Finance & Administration	1
	Principal Accountant	1
	Senior Officers (Procurement Officer & Accountant)	2
	Administration Officer	1
	Assistant Accountant	2
	Executive Assistant	1
	Accounts Assistant	1
	Driver	1
	Stores Assistant	1
Assistant Procurement Officer	1	
Production	Manager	1
	Principal Development Officers / Regional Supervisors	5
	Regional Coffee Technical Officers	5
	Regional Coffee Extension Officers	28
	Driver	1
Quality and Regulatory Services	Manager	1
	Principal Quality Controller	1
	Centre of Robusta Excellence (CORE Project) Coordinator	1
	Quality Controllers	11
	Laboratory Assistant	1
	Agricultural Research Officers - CORE Project	3
	Quality Assurance Officers - CORE Project	3
	Promotion and Training Officer- CORE Project	1
	Administration Assistant- CORE Project	1
Driver- CORE Project	1	
Strategy and Business Development	Manager	1
	Principal Business Development Officer	1
	Principal Information Officer	1
	IT Officer	1
	Monitoring and Evaluation Officer	2
	Market Analyst	1
	IT Assistant	1
	Driver	1
TOTAL		92

To further strengthen the staffing capacity for better service delivery, the Board approved a new organizational structure with new departmental functions and positions, and more staff. The staffing capacity was strengthened to 138, although the recruitment would be phased over the three-year period of the new corporate plan. The increment in the number of staff is meant to boost UCDA's extension service-delivery, coffee production, coffee quality assurance, information dissemination to stakeholders along the value chain, and promotion of domestic coffee consumption.

5.3 Staff Development

In an effort to supplement personal growth and on-the-job learning, the following staff benefited from various trainings and workshops:

- o Fifty Seven (54) staff sensitized on stress management as part of personal welfare management,
- o Seventeen (17) staff trained in management / supervisory skills,
- o Nine (9) staff trained in corporate governance principles,
- o Four (4) staff were trained in public procurement and contract management,
- o Four (4) staff supported with Continuous Professional Development (CPD) courses,
- o Three (3) staff trained in public finance management
- o One (1) staff trained in Government Accounting skills,
- o One (1) staff trained in change management, and HR Metrics,
- o One (1) staff trained in coffee market fundamentals
- o One (1) staff trained in occupational health and safety
- o One (1) staff trained in economic analysis of investments; gender equity and women empowerment offered by the World Bank Group.

5.2 Recognition and Awards

UCDA continued to recognize and reward members of staff with outstanding performance through the 'Employee of the Year' initiative. For the year 2014, Mr. Jimmy Baluku received the honor of the Employee of the year.

5.4 Compliance with Regulatory Frameworks

Management continued to comply with Government regulatory frameworks by periodically submitting programme and budget performance reports and accountabilities to:

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

In the period, UCDA was able to secure more budgetary support from Government towards planting material production and coffee replanting. The Authority received an unqualified audit opinion, and also maintained a very good performance rating with PPDA due to its compliance with procurement regulations.

5.5 Partnerships and Special Projects

UCDA continued to partner with public organizations, the private sector and the donor community. The Authority continued to liaise with Government agencies, academic institutions by sharing strategic information on the coffee sub sector. The notable partnerships were as follows:

Management facilitated various Coffee Fora for Honorable MPs that represent coffee-growing constituencies. The fora have proved to be important for collaboration, mobilization and support of the coffee replanting program as well as introducing coffee in new areas.

Management partnered with the Operation Wealth Creation (OWC) and Local Governments across all coffee growing districts in distribution of coffee seedlings to farmers. This partnership has brought about efficiency in seedlings' distribution and accountabilities.

aBi Trust provided funding support for the Centre of Robusta Excellence Project where coffee production, value addition, marketing and promotion of coffee drinking culture are major areas of focus. The project has so far benefitted farmers in 40 districts.

USAID Enabling Environment for Agriculture (EEA) Programme supported UCDA in developing the National Coffee Strategy, the Corporate Plan 2015/16-2017/18, as well as institutional capacity assessment and staff and board training.

UCDA as the Chair of the National Steering Committee of the Coffee Production campaign ensured continued coordination and engagement of stakeholders in the bid to promote coffee replanting and sensitization of farmers on good agricultural practices. Further, UCDA provided support to

Coffee Associations such as Café Africa, Uganda Coffee Roasters Association (UCRA), Women in Coffee, Uganda Coffee Traders Federation (UCTF), Uganda Farmers Alliance (UFA) and the National Union of Coffee Agribusiness and Farm Enterprises (NUCAFE).

UCDA continued to partner with Uganda Organic Certification Limited (UgoCert). This has ensured that coffee certification services (Utz, Organic, Fair Trade and Rainforest) are affordable and credible for farmers.



UCDA Staff at Home is Best Summit Gulu-December 2014

5.6 Intergovernmental Meetings

- Uganda participated in the 114th and 115th Council Sessions of the International Coffee Council (ICO) in March and September 2015 respectively.
- Uganda hosted the 54th IACO Annual General Assembly (AGA) and the 2nd African Coffee Symposium from the 17th -21st November 2014. At the AGA, Uganda was recognized as a Centre of Robusta Excellence (CORE).

Further, a Kampala Declaration was made where Members purposed to:

- Strengthen and develop Public Private Partnerships for coffee activities;
- Support implementation of national coffee development policies and strategies;
- Strengthen capacity for coffee research;
- Improve productivity, quality and value-addition in a sustainable manner;
- Create an enabling environment for access to finance and appropriate technology in the

- coffee value chain;
- Strengthen and/or facilitate the establishment of farmer organizations in the coffee value chain;
- Undertake measures to identify and mitigate the effects of climate change, including resurgence of pests and diseases;
- Undertake to strengthen and reinforce the participation and/or integration of women and youth in promoting sustainable coffee value.

5.7 *Management of Assets*

- Regular maintenance and repair of buildings and equipment was undertaken.
- The fleet of 8 motor vehicles, 27 motor cycles and an assortment of computers and Office machinery were regularly serviced and maintained in good running condition .

5.8 *Shared Corporate Value, Memberships and Subscriptions*

UCDA continued to enhance its corporate social responsibility by partnering with institutions and supporting community causes that are for the common good. This was demonstrated through the following specific areas of focus:

- Internship program that benefitted 14 students from Makerere, Mukono, Makerere Business School, Kampala International and Kyambogo Universities. UCDA's further participated in the Uganda Corporate League and promoted coffee consumption among the corporate companies ,
- Participation in the British Council Charity Shield,
- Donations were made to 10 coffee communities,
- The Annual Coffee Tournament organized in collaboration with the sub-sector stakeholders,
- Provision of support towards the Children and Wives of Disabled Soldiers (CAWODISA) in raising coffee planting material and coffee farming as a means of income generation,
- Provision of free planting material to households in coffee growing districts which is projected to increase production and so improve household incomes.
- Membership subscription to several institutions; Café Mundi, Specialty Coffee Association of America, (SCAA), Specialty Coffee Association of Europe (SCAE), African

Fine Coffees Association (AFCA), Institute of Corporate Governance (ICGU), Uganda Manufacturers Association (UMA) and Federation of Uganda Employers (FUE).

5.9 *Field Visits Under Monitoring and Evaluation*

- UCDA together with the Parliamentary Committee on Agriculture conducted field visits to South Western and Central Regions. The Committees appreciated the coffee Programmes but noted the need to combat pest and disease prevalence, and the impact of climate change on coffee production.
- Routine Monitoring And Evaluation (M&E) in the 5 coffee regions was undertaken and reports written. Monitoring and evaluation exercises were done to measure the impact of coffee research, coffee production and productivity programmes, coffee promotion programmes. The monitoring and evaluation exercises were also undertaken to assess gaps in implementation that need strategic interventions.`
- In a bid to institutionalize M&E, senior staff members were trained on Results Based Monitoring and Evaluation (RBME) with support from the Netherlands Trust Fund (NTF) III Project named; 'Creating sustainable coffee export competitiveness in the coffee sector in Uganda.'

STATISTICAL APPENDICES

APPENDIX 1: 25 YEARS TIME SERIES EXPORTS 1990/91 TO 2014/15 BY TYPE *Quantity in 60-Kilo Bags; Value in US \$*

Coffee Yr	Robusta		Arabica		Total		Robusta	Arabica	Weighted
	Quantity	Value	Quantity	Value	Quantity	Value	Unit Value		
1990/91	1,924,319	105,733,784	160,948	15,647,712	2,085,267	121,381,496	0.92	1.62	0.97
1991/92	1,884,183	91,742,542	169,034	12,813,523	2,053,217	104,556,065	0.81	1.26	0.85
1992/93	1,841,510	90,576,148	247,132	18,117,843	2,088,642	108,693,991	0.82	1.22	0.87
1993/94	2,471,960	192,307,120	533,245	81,351,730	3,005,205	273,658,850	1.3	2.54	1.52
1994/95	2,284,109	338,762,354	507,644	93,731,757	2,791,753	432,494,111	2.47	3.08	2.58
1995/96	3,762,347	345,136,777	386,456	43,779,380	4,148,803	388,916,157	1.53	1.89	1.56
1996/97	3,789,013	288,858,906	448,101	66,267,735	4,237,114	355,126,641	1.27	2.46	1.4
1997/98	2,691,278	227,361,611	341,060	49,112,624	3,032,338	276,474,235	1.41	2.4	1.52
1998/99	3,291,540	247,869,096	356,449	35,126,416	3,647,989	282,995,512	1.26	1.64	1.29
1999/00	2,390,682	121,850,127	526,575	42,899,788	2,917,257	164,749,915	0.85	1.36	0.94
2000/01	2,617,777	79,703,961	456,996	25,072,463	3,074,773	104,776,424	0.51	0.91	0.57
2001/02	2,715,955	64,496,820	430,426	19,440,133	3,146,381	83,936,953	0.4	0.75	0.44
2002/03	2,221,440	81,843,934	442,448	22,943,160	2,663,888	104,787,094	0.61	0.86	0.66
2003/04	1,979,353	82,611,561	543,689	33,093,283	2,523,042	115,704,844	0.7	1.01	0.76
2004/05	1,986,890	105,833,286	518,000	56,262,950	2,504,890	162,096,236	0.89	1.81	1.08
2005/06	1,408,314	103,873,269	594,010	66,470,317	2,002,324	170,343,586	1.23	1.87	1.42
2006/07	2,144,482	192,779,546	559,754	63,801,298	2,704,236	256,580,844	1.5	1.9	1.58
2007/08	2,713,498	316,060,409	497,105	72,337,793	3,210,603	388,398,202	1.94	2.43	2.02
2008/09	2,405,137	212,848,980	648,551	78,912,759	3,053,688	291,761,739	1.47	2.03	1.59
2009/10	1,957,400	163,484,690	711,571	103,230,931	2,668,971	266,715,621	1.39	2.42	1.67
2010/11	2,484,013	294,606,045	665,410	154,284,625	3,149,423	448,890,669	1.98	3.86	2.38
2011/12	1,904,176	223,976,023	822,073	168,722,105	2,726,249	392,698,138	1.96	3.42	2.4
2012/13	2,781,478	317,728,861	801,151	114,965,197	3,582,629	432,694,059	1.9	2.39	2.01
2013/14	2,735,020	285,614,846	764,809	108,307,489	3,499,829	393,922,335	1.74	2.36	1.88
2014/15	2,722,636	288,389,791	733,216	122,160,149	3,455,852	410,549,941	1.77	2.78	1.98
AVERAGE	2,444,340	194,562,019	514,634	66,754,126	2,958,975	261,316,146	1.31	2.01	1.44

Source: UCDA Database

APPENDIX II: COFFEE EXPORTS BY INDIVIDUAL EXPORTING FIRMS 2014-15

Exporter	October	November	December	January	February	March	April	May	June	July	August	September	Total
Ugacof (U) Ltd	25,142	28,664	39,174	59,686	38,586	57,968	43,677	47,459	53,957	77,197	87,810	66,666	625,986
Kyagalanyi Coffee Ltd	17,042	20,533	12,380	33,150	25,470	32,390	25,855	25,085	43,774	45,471	42,759	21,363	345,272
Kawacom (U) Ltd.	15,000	11,704	36,477	34,800	32,453	50,827	31,516	18,032	22,298	20,934	11,330	28,914	314,285
Olam (U) Ltd	30,433	8,220	3,960	15,176	24,244	27,098	25,131	17,584	13,570	30,538	33,636	49,008	278,598
Ibero (U) Ltd	9,410	21,619	24,094	21,509	27,137	14,253	12,562	19,360	28,259	29,986	23,416	14,590	246,195
Ideal Commodities	14,370	20,126	18,728	21,832	24,650	15,924	21,949	21,767	22,738	22,512	13,755	14,836	233,187
Export Trading Company	17,330	17,700	14,230	14,940	8,684	17,936	14,414	3,540	22,754	18,112	15,724	26,874	192,238
Kampala Domestic Store	8,100	19,902	13,220	20,140	10,132	8,428	13,808	17,730	21,566	29,147	10,269	5,700	178,142
Besmark (U) Ltd	7,409	13,330	9,930	15,669	11,334	12,480	13,305	12,367	11,758	26,767	16,006	6,448	156,803
Ishaka Quality Commodities	3,954	6,440	8,290	11,460	10,804	9,428	6,480	10,468	12,448	12,029	7,704	7,740	107,245
Great Lakes (U) Ltd.	13,270	10,558	8,740	10,828	8,278	16,820	11,149	10,744	9,783	2,085	2,282	1,690	106,227
Savannah Commodities	5,256	5,550	4,544	11,830	10,912	8,708	8,476	11,447	12,771	15,094	5,773	2,140	102,501
LD Commodities	15,206	2,768	2,768	1,404	2,842	9,165	8,107	12,158	10,134	17,876	6,664	8,827	95,151
Commodity Solutions Ltd.	3,660	4,592	2,970	9,474	11,568	8,720	2,722	11,242	8,673	3,010	5,575	934	73,140
Risala (U) Ltd	3,100	2,950	2,900	1,950	1,250	2,050	4,800	3,150	4,250	5,670	3,800	5,450	41,320
Ankole Coffee Producers Cooperative	2,934	1,930	1,320	2,900	2,880	1,620	1,316		5,574	8,260	4,850	6,298	39,882
Job Coffee Ltd.	9,418	5,058	5,316	6,668	5,686	1,302			320	960			34,728
Nakana Coffee Factory	334	1,988	1,334	1,028	7,672	1,680	680	2,670	2,640	7,304	3,354	604	31,288
Ankole Coffee Processors	640	1,050	2,110	2,424	1,954	1,980	934	2,810	3,070	3,954	1,300	2,734	24,960
Armajaro (U) Ltd	15,574	2,374	2,480				1,500		1,668		334		23,930
Wabulungu Multipurpose	1,028	2,068	2,972	1,920	2,632	654	960	1,290	4,284	3,122	2,644	320	23,894
Kaweri Coffee Plantation	1,280			1,325	4,075	840	6,120	2,920	1,092	640	1,000	3,328	22,500
Seno Indo Company	1,200	600	320	700	700	710	2,056	3,283	3,900	3,000	3,020	1,200	20,689

Coffee World Ltd	350	350						3,058			668			1,322	6,022	4,066	3,656	19,492
Banyankole Kweterana		1,640	320	988	2,028	1,294	1,000		1,200		1,000		1,200	2,298	2,308	1,374	3,662	18,112
Mbale Importers and Exporters	2,964	2,672	1,650	330	1,678	660	330		700		330		700	320	1,300	2,940	680	16,224
Kamba Petroleum	3,698	3,312	2,684	1,294	654	2,278			694				694	680	330			15,624
Fairlop Global Company			1,380	2,330	1,708	1,070			1,040				1,040	334	1,770	1,670		11,302
Karaz (U) Ltd.		330		2,084	660	1,350			694				694	1,000	1,050	2,950	1,020	11,138
Gumutindo Cooperative Society		960	1,280	1,280	2,420	1,280	1,530							640	133	320		9,843
Bakhsons Trading Company				350	2,450	1,020			670				670	2,100	3,090			9,680
Bakhita Twase Company							1,280		960				960	1,280	1,600	650	320	6,090
Bakwanye Trading Company	700		720		700	960	320		700				700	700				4,800
Kibinge Coffee Farmers Ltd.				360	320		360							350	320	1,600	640	3,950
Bukonzo Joint Cooperative Society	320	640	960		216		420											2,556
NUCAFE Ltd		320	320		640				320							668		2,268
Pearl Crops Ltd													690	640	700			2,030
Nile Highland Arabica Coffee CFA							640		510						170			1,320
Bulamu Coffee Buyers																664	330	994
Zigoti Coffee Works									10				10	600			350	960
Shiba Investments														348				348
Katuka Development Trust				320														320
NITUBASA	320																	320
Bugisu Cooperative Union															320			320
Total	229,442	219,948	224,803	310,149	290,475	310,773	264,065	262,604	333,943	402,721	320,607	286,322	3,455,852					

APPENDIX 1V COFFEE PROCUREMENT FIGURES IN 60-KILOGRAMME BAGS

Month	2012/13			2013/14			2014/15		
	Robusta	Arabica	Total	Robusta	Arabica	Total	Robusta	Arabica	Total
Oct	151,243	42,400	193,643	139,070	61,005	200,075	120,402	50,112	170,514
Nov	180,116	60,252	240,368	179,072	86,258	265,330	161,141	72,009	233,150
Dec	190,258	63,015	253,273	233,812	81,214	315,026	180,095	75,001	255,096
Jan	280,415	85,102	365,117	225,023	75,219	300,242	250,136	78,084	328,220
Feb	260,219	75,200	335,419	290,234	72,816	363,050	245,016	65,055	310,071
Mar	240,005	71,018	311,023	325,123	60,217	385,340	220,147	60,144	280,291
Apr	201,505	60,002	261,507	200,429	52,014	252,443	180,706	61,056	241,762
May	300,104	90,102	390,206	304,103	76,201	380,304	195,429	65,159	260,588
Jun	310,184	87,106	397,290	293,100	76,650	369,750	295,125	70,058	365,183
Jul	330,014	109,010	439,024	250,176	60,146	310,322	385,182	75,237	460,419
Aug	300,147	89,100	389,247	215,975	65,235	281,210	342,059	75,004	417,063
Sep	260,553	75,802	336,355	175,474	54,301	229,775	268,701	55,000	323,701
Total	3,004,763	908,109	3,912,872	2,831,591	821,276	3,652,867	2,844,139	801,919	3,646,058

APPENDIX V: COFFEE EXPORTS BY BUYER BY MONTH CY 2014-15 IN 60-KILO BAGS

BUYER	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Total
SUCAFINA	22,610	28,010	36,538	59,264	38,614	38,686	31,133	46,133	50,655	70,802	83,634	63,488	569,567
OLAM INTERNATIONAL	41,709	19,434	12,508	27,142	34,410	34,760	34,985	20,591	15,022	29,956	28,112	35,100	333,729
ECOM AGRO	18,364	12,704	30,517	27,390	25,273	49,627	28,426	15,362	17,388	14,694	8,872	13,824	262,441
BERNHARD ROTHFOS	9,410	28,159	24,094	21,509	27,777	14,253	16,082	19,990	28,259	29,986	23,416	14,910	257,845
ALTASHEEL	15,050	15,398	20,250	23,100	18,200	17,150	9,100	9,450	25,900	27,300	16,100	20,510	217,508
ALDWAMI	1,400	12,600	11,550	18,550	15,050	26,250	8,050	18,900	9,450	14,350	2,450	9,110	147,710
ICONACAFE	6,272	5,990	8,604	7,658	9,800	9,130	10,912	7,832	22,326	19,354	6,058	9,186	123,122
SOCADEC	15,414	7,636	4,308	7,248	15,342	4,702	7,208	12,406	12,640	13,385	4,980	7,576	112,845
STRAUSS COMMODITIES	8,160	12,719	2,890	8,320	14,873	7,848	5,620	8,916	11,880	9,620	8,630	8,370	107,846
ABACO INTERNATIONAL	350	6,650	3,500	7,000	3,850	10,150	17,470	13,650	11,550	10,850	6,300	4,900	96,220
VOLCAFE	1,920	2,240	2,620	3,200	4,180	5,700	5,700	2,520	13,154	29,191	13,152	3,304	86,881
LUIGI LAVAZZA	2,672	668	2,330	6,664	12,306	11,260	8,384	11,770	7,912	8,294	6,481	1,920	80,661
LOIUS DREYFUS	15,716	3,840	2,922	1,934	1,474	5,823	1,403	1,966	9,034	7,042	12,708	7,363	71,225
BERCHER CONSULTING	7,218	5,120	6,846	7,122	3,668	4,720	4,930	320	5,010	10,380	9,698	5,168	70,200
COFFTEA			5,250	13,300	2,450	640	320	5,920	7,000	6,300	12,584	7,350	61,114
COEX COFFEE	6,050	9,004	1,738	4,482	5,953	1,996	2,028	13,113	5,026	7,439	1,656	2,240	60,725
FALCON COFFEE	8,960	5,440	5,120	5,440	2,560	8,000	6,400	5,440	2,560	691		640	51,251
ABU-ASMA	3,100	2,950	2,900	1,950	1,250	2,050	4,800	3,150	4,250	5,670	3,800	5,450	41,320
ETG COMMODITIES							84		8,720	7,862	6,500	13,264	36,346

GOLLUCKE	5,600			2,450	4,900	6,300	4,140	2,420	4,550	3,500				33,860
TROPICORE	320	1,600	640	3,000	1,600	5,270	4,250		4,669	5,708	5,493	1,100		33,650
GUZMAN	660	998	2,040	4,744	4,408	2,394	664	2,424	3,672	4,724	4,402	990		32,120
TATA COFFEE					1,695	6,986	3,509	2,825	2,499	6,515	5,225	2,823		32,077
HACOFCO	1,080	2,880	1,080	2,160	4,790	3,600	2,875	4,664	3,583	2,874	1,054			30,640
COFFY HANDLES	2,450	3,134		1,050	700	4,900	4,440	2,170	1,380	4,240	1,430	2,760		28,654
C C L PRODUCTS	1,500	3,000	3,000	2,100	900		2,399	2,099	3,600	5,097	3,000	1,800		28,495
KONINKJKE	3,600	3,960	4,320	3,480	3,520							3,500		22,380
OTHERS	29,857	25,814	29,238	39,892	30,932	28,578	38,837	28,573	42,254	46,897	44,872	39,676		425,420
TOTAL	229,442	219,948	224,803	310,149	290,475	310,773	264,065	262,604	333,943	402,721	320,607	286,322		3,455,852

APPENDIX VI: COFFEE EXPORTS BY DESTINATION BY MONTH CY 2014-15 IN 60-KILO BAGS

DESTINATION	October	November	December	January	February	March	April	May	June	July	August	September	Total
EU	171,016	137,469	162,803	212,829	205,571	214,915	175,546	169,865	238,322	269,656	228,156	209,887	2,396,035
SUDAN	18,900	32,698	33,240	59,670	36,250	50,684	37,190	49,350	49,340	59,154	42,300	39,730	508,506
USA	13,552	15,030	5,320	8,520	9,645	6,774	9,071	14,133	8,808	12,270	1,962	1,520	106,605
INDIA	4,940	2,700	3,300	1,550	2,595	10,804	11,916	5,532	10,413	18,425	14,405	9,740	96,320
SWITZERLAND	4,440	7,140	668	2,588	7,812	2,530	4,290	5,622	5,085	7,860	6,642	1,090	55,767
JAPAN	1,200	2,480	1,500	4,800	2,770	8,160	5,210	2,610	2,950	4,645		6,360	42,685
SINGAPORE	2,134	1,982	4,916	8,038	4,868	6,308	334	1,121	1,288	1,990	2,310	350	35,639
MOROCCO	1,600	6,410	1,280	2,630	960	1,616	3,590	1,628	4,210	4,774	3,972	1,920	34,590
KOREA	350	660	3,102	988	4,676	1,260	7,194	2,250	300	2,833	4,500	4,720	32,833
RUSSIA	3,530	3,220	2,264	980	1,304	2,594	2,900	2,240	3,220	5,130	3,210	1,600	32,192
S.AFRICA	2,860	2,875	1,920	2,836	1,900	300	2,240	615	4,757	4,794	688	640	26,425
CHINA	980	330	1,310	640	2,604	2,440	1,884	1,630	1,580	1,950	2,240	3,380	20,968
ISRAEL	1,920	3,560	1,600		3,520			320	960	2,590	2,895	1,285	18,650
CROATIA	1,080	1,804		2,160	2,160		1,800	1,068	1,080	2,520	360	2,520	16,552
AUSTRALIA		330	320	960	960		260	480	960	1,260	1,287		6,817
MEXICO					1,280		640	1,280			2,880		6,080
CANADA	640		320		640	320		640		1,280	1,310	320	5,470
KENYA		640	300					320	350	640	240		2,490

TAIWAN	300	300	300						300	600	300	2,400
UAE				640							640	2,240
UKRAINE			320	640				320	320		320	1,920
NEWZEALAND		320	340	440								1,740
CAPE VERDE				668						640		1,308
MACEDONIA				320					330			650
BULGARIA					320							640
EGYPT												320
OMAN										10		10
Total	229,442	219,948	310,149	310,773	264,065	262,604	333,943	402,721	320,607	286,322	3,455,852	

FINANCIAL STATEMENTS



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
UGANDA COFFEE DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED 30TH SEPTEMBER 2015

OFFICE OF THE AUDITOR GENERAL
KAMPALA, UGANDA

LIST OF ACRONYMS

Acronym	Meaning
AGT	Agro-Genetic Technologies
UCDA	Uganda Coffee Development Authority
UGX	Uganda Shillings
CESS	Export Levy
RCEO	Regional Coffee Extension Officers
NAADS	National Agricultural Advisory Services
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
FYR	Financial Year
PFMA	Public Finance Management Act

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
UGANDA COFFEE DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED 30TH SEPTEMBER, 2015

THE RT. HON. SPEAKER OF PARLIAMENT

I have audited the financial statements of Uganda Coffee Development Authority (UCDA) for the year ended 30th September, 2015. These financial statements comprise of the statement of financial position as at 30th September, 2015, the statement of financial performance, statement of cash flows and statement of changes in equity together with other accompanying statements, notes and accounting policies.

Directors' Responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Uganda Coffee Development Authority (UCDA) and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

Auditor's Responsibility

My responsibility as required by Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and Sections 13 and 19 of the National Audit Act, 2008 is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Part "A" of my report sets out my opinion on the financial statements. Part "B" which forms an integral part of this report presents in detail all the significant audit findings made during the audit which were brought to the attention of Management and will form part of my Annual Report to Parliament.

PART "A"

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Uganda Coffee Development Authority (UCDA) as at 30th September, 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Coffee Development Authority Statute 1991.

Report on other legal requirements

As required by the Uganda Coffee Development Authority statute 1991 and the National Audit Act, I report to you, based on my audit, that:

- i. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
- ii. In my opinion, proper books of account have been kept by the Authority, so far as appears from my examination of those books; and
- iii. The statement of financial position and statement of financial performance are in agreement with the books of account.



John F. S. Muwanga

AUDITOR GENERAL

KAMPALA

11th December, 2015

TABLE OF CONTENTS	PAGES
1. STATEMENT OF RESPONSIBILITIES	65
2. LIST OF BOARD MEMBERS	66
3. COMMENTARY; STATEMENT OF FINANCIAL PERFORMANCE	67
4. STATEMENT OF FINANCIAL POSITION	68
5. STATEMENT OF FINANCIAL PERFORMANCE	69
6. STATEMENT OF CASHFLOWS	70
7. STATEMENT OF CHANGES IN EQUITY	71
8. NOTES TO THE FINAL ACCOUNTS	72
9. FIXED ASSETS SCHEDULE	74
10. NOTES TO THE STATEMENT OF FINANCIAL POSITION	75
11. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE	77

UGANDA COFFEE DEVELOPMENT AUTHORITY

STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2015

The Uganda Coffee Development Authority Act requires the Authority to keep proper books of accounts and records of its transactions and affairs that give a true and fair view of the state of affairs as at the end of the financial year and its surplus or deficit.

It also requires that the Authority keep proper accounting records that disclose, with accuracy, the financial position of the Authority.

The Directors accept responsibility for the annual financial statements set out on pages 1 to 11, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Uganda Companies Act.

The Directors are of the opinion that the financial statements give a true and fair view of the financial affairs of the Authority and of its deficit for the year.

The Directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the twelve (12) months from the date of this statement.



Perez Bukumunhe
Chairman, Board of Directors



Henry Ngabirano
Accounting Officer/
Managing Director

BOARD OF DIRECTORS FOR UGANDA COFFEE DEVELOPMENT AUTHORITY FOR 2014/2015

	Board of Director	Designation
1	Mr Perez Bukumunhe	Chairman
2	Mr. Hannington Karuhanga	Member
3	Dr. Albert Musisi	Member
4	Haji Ayub Kalule	Member
5	Mr. Gerald Ssendaula	Member
6	Mr Silver Ojakol	Member
7	Mr Robert WaggwaNsibirwa	Member
8	Mrs Beatrice Byarugaba	Member
9	Mrs Rose Kato	Member
10	Mr. Valentine Okot Otanu	Member
11	Mr Henry A. Ngabirano	Member

UGANDA COFFEE DEVELOPMENT AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE

The Authority presents its financial statements and accounts for the year ended 30 September 2015.

The accounts of the Authority are prepared based on historical cost convention and in compliance with International Financial Reporting Standards (IFRS). The underlying financial transactions were undertaken in compliance with the relevant national public financial management laws and regulations such as the PFA Act 2003; PPDA Act 2013; and the PFMA 2015 as applicable.

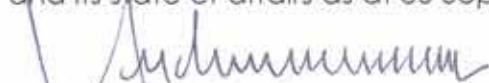
The highlight of the Authority's financial performance was as follows;

- ✦ Total operating revenue increased by Shs 25 billion (or 119%) i.e. from Shs 21 billion reported in the previous year to Shs 46.4 billion this year. On the other hand total operating expenses increased by Shs 25 billion (or 97%) i.e. from Shs 25.6 billion reported in the previous year to Shs 50.46 billion this year.
- ✦ Government contribution was Shs 31,695,609,310 for the coffee year 2014/2015. This comprises Shs 5.525 billion relating to GOU FY 2014/2015 2nd 3rd and 4th quarter releases; Shs 13.17 billion reallocated from NAADS to supplement the implementation of the requirement to plant 100 million seedlings; and GOU FY 2015/2016 1st quarter release of Shs 13.005 billion.

The period performance registered a net operating deficit of Shs 4.1 billion compared to Shs 4.5 billion reported in the previous year. The deficit reported this year is mainly attributed to the recognition of the loss of Shs 5.362 billion transferred to the consolidated fund at 30.6.2015 as part of operationalization of the new PFMA 2015. While these funds were returned to Treasury the related expenditure commitments were accrued in this year's accounts.

- ✦ The creditors falling due within one year increased by Shs 4.44 billion (or 85%) from the Shs 5.2 billion reported in the previous year. This increase was due to outstanding coffee nursery operators claims worth Shs 8.6 billion accumulated as a result of upscaling of coffee planting in line with Government programmes for raising and planting 100 million coffee seedlings every year.
- ✦ The total net assets of the Authority decreased by Shs 3.7 billion (or 21%) i.e. up from Shs 17.5 billion reported in the previous year to Shs 13.8 billion this year. This was mainly attributable to increased creditors of Shs 8.6 billion resulting from up scaled coffee planting as indicated above.

This is to confirm that proper accounting records and books of accounts have been kept and that the financial statements accurately reflect the Authority's financial performance and its state of affairs as at 30 September 2015.



Andrew Kilama Lajul

BOARD SECRETARY/HEAD OF FINANCE & ADMINISTRATION

UGANDA COFFEE DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDING 30 SEPTEMBER 2015

	Notes	2014/2015 U SHS	2013/2014 U SHS
Fixed Assets(Net)	1	16,397,310,688	15,950,403,540
Investments			
Wet Processing Equipment	2	417,407,905	417,407,905
Current Assets			
Retirement Benefits Scheme	3	1,480,424,262	1,047,132,737
Short-term Fixed Deposit (Operations)	4	1,624,513,899	2,560,851,414
Cash at Bank	5	1,576,300,407	2,026,763,166
Cash at Hand	6	1,498,960	245,000
Debtors	7	1,403,008,069	1,230,356,962
Prepayments	8	2,017,046,292	502,844,170
		8,102,791,889	7,368,193,449
Less Liabilities			
Creditors: Amounts falling due with in one year	9	9,651,710,850	5,209,660,723
Retirement Benefits Scheme	10	1,480,424,264	1,047,132,737
		11,132,135,114	6,256,793,460
Net Current Assets		(3,029,343,225)	1,111,399,989
Net Assets		13,785,375,368	17,479,211,434
FUNDED BY			
Funds of the Authority	11	16,112,166,300	16,112,166,300
Retained Earnings	12	(2,326,790,932)	1,367,045,134
TOTAL		13,785,375,368	17,479,211,434


HENRY A. NGABIRANO
MANAGING DIRECTOR


ANDREW KILAMA LAJUL
BOARD SECRETARY/HEAD OF
FINANCE & ADMINISTRATION

UGANDA COFFEE DEVELOPMENT AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2015

	Notes	2014/2015 U Shs	2013/2014 U Shs
REVENUE	13		
Cess 1%		12,542,000,510	10,031,055,514
Sundry income		79,776,001	108,013,074
Rent income		828,628,761	693,212,604
Registration Fees		162,337,500	136,180,852
Interest Earned		181,706,281	324,871,164
Government Contribution		31,695,609,310	9,286,007,435
Centre of Robusta Excellence Project Funds		917,511,185	569,070,070
Total Operating Revenue		46,407,569,548	21,148,410,713
OPERATING EXPENSES			
Staff Costs	14	4,913,576,438	4,326,261,757
Administrative Expenses	15	1,564,301,372	1,334,065,334
Programme Expenses	16	41,107,523,629	18,251,996,851
Support to Coffee Organisations	17	306,415,032	258,720,136
International Obligations	18	1,673,555,664	776,777,790
Depreciation/ Provisions	19	896,003,421	671,355,104
Total Operating Expenses		50,461,375,556	25,619,176,972
UCDA Operating Surplus/ (Deficit)		(4,053,806,008)	(4,470,766,259)
Gain or loss on disposal of fixed assets		-	-
Net Surplus/ (deficit)		(4,053,806,008)	(4,470,766,259)


HENRY A. NGABIRANO
MANAGING DIRECTOR

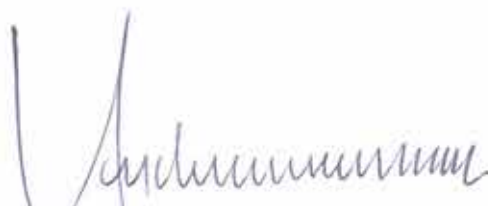

ANDREW KILAMA LAJUL
BOARD SECRETARY/HEAD OF
FINANCE & ADMINISTRATION

UGANDA COFFEE DEVELOPMENT AUTHORITY
STATEMENT OF CASHFLOWS FOR THE PERIOD ENDING 30 SEPTEMBER 2015

	2014/2015 U. Shs	2013/2014 U. Shs
Cashflows from Operating Activities		
Net Operating (Deficit)/Surplus	(4,053,806,008)	(4,470,766,259)
Adjustments for:		
Depreciation	719,054,985	592,952,829
Provision for bad & Doubtful debts	176,948,436	78,402,275
Unrealised loss on IACO b/fwd balance	-	(169,902,488)
Prior year adjustments	359,969,942	48,749,425
increase in Debtors & prepayments	734,598,440	(470,382,669)
increase in Liabilities	(4,875,341,654)	4,533,244,026
Net cash flows from operating activities	(6,938,575,859)	142,297,139
Cashflows from Investing Activities		
Construction of Laboratory equipment/Land & Buildings	(19,430,966)	-
Purchase of computers	(96,091,069)	(81,011,128)
Purchase of Furniture	(133,172,000)	(33,600,000)
Purchase of Liquoring Equipment	(489,028,302)	(293,800)
Purchase of Office Equipment	(13,615,000)	(33,112,300)
Purchase of Commercial vehicles	-	(226,460,600)
Purchase of Farm Equipment	(11,960,000)	(14,661,000)
Purchase of Espresso Machine	-	-
Purchase of Generator	-	-
Purchase of Motor vehicles	(271,147,100)	-
Purchase of Motorcycles	(152,803,138)	-
Purchase of Moisture Metre	(23,500,261)	-
Disposal of Fixed Assets		41,655,000
Net Cash from Investing Activities	(1,210,747,836)	(347,483,828)
Net Cashflows from financing Activities	-	-
Net decrease in cash and cash equivalents	(8,149,323,695)	(205,186,689)
Cash and cash equivalents at the beginning of the period	4,587,859,680	4,793,046,369
Cash and cash equivalents at the end of the period	(3,561,464,015)	4,587,859,680



HENRY A. NGABIRANO
MANAGING DIRECTOR



ANDREW KILAMA LAJUL
BOARD SECRETARY/HEAD OF
FINANCE & ADMINISTRATION

UGANDA COFFEE DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 30 SEPTEMBER 2015

		2014/2015 U Shs	2013/2014 U Shs
Retained surplus at the beginning of the year	Note	1,367,045,134	5,789,061,968
Prior year adjustments	12	359,969,942	48,749,425
Operating surplus/(deficit) for the year		(4,053,806,008)	(4,470,766,259)
Retained surplus at the end of the year		(2,326,790,932)	1,367,045,134


HENRY A. NGABIRANO
MANAGING DIRECTOR


ANDREW KILAMA LAJUL
BOARD SECRETARY/HEAD OF
FINANCE & ADMINISTRATION

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE FINAL ACCOUNTS FOR PERIOD ENDED 30 SEPTEMBER 2015

1.1 BASIS OF ACCOUNTING

The accounts of the Authority are prepared under the historical cost convention and accruals basis and in compliance with International Financial Reporting Standards.

The reporting currency is Uganda shillings.

However, the accounts for the next year 2015/2016 will be prepared using modified cash basis.

1.2 RECOGNITION OF REVENUE

i) Cess; Recognized at the time of export.

ii) Rent; Recognized at the beginning of the month.

iii) Government contribution; Recognized at the time of expenditure.

iv) Other revenues (Licenses and interest earned on account); Recognized on realization.

1.3 DEPRECIATION & IMPAIRMENT

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

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

Land and buildings are reported separately in accordance with the requirements of IAS 16.

Given that all the land of the Authority is held on term leases, it is therefore accounted for in accordance with the requirement of IAS 17.

1.4 BAD AND DOUBTFUL DEBTS

Specific provisions are made for all known doubtful debts in addition to a general provision that is estimated by Management (5%). Bad debts are written off after approval of the Board of Directors.

1.5 CONVERSION AND TRANSLATION OF FOREIGN TRANSACTIONS

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

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

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

1.6 WET PROCESSING EQUIPMENT

The Shs 417,407,905 is the value of the initial investment in Wet Processing equipment given to selected firms and individual to promote value addition in which the Authority still has claims. The Solicitor General's advice was obtained on further discounting as requested by the beneficiaries.

1.7 GOVERNMENT CONTRIBUTIONS ON VOTE 160: UGANDA COFFEE DEVELOPMENT AUTHORITY

Total Government contribution was Shs 31,695,609,310 for the coffee year 2014/2015. This includes Shs 13,171,200,000 reallocated from NAADS and Shs 13,005,317,601 for Quarter 1 2015/16 to supplement the implementation of the government priority and target to plant 100 million seedlings that had hitherto not fully funded.

1.8 PROJECT FUNDS

During the year the Authority recognized Shs 917,511,185 from aBi Trust relating to the Centre of Robusta Excellence (CORE) project.



1.9 OUTSTANDING COURT CASES

The Authority had 6 pending court cases; Semalwadde Wasswa Michael versus UCDA, Kisarach Kelly versus UCDA, Barakuraha James versus UCDA, Kamugisha Fausta Vs UCDA, Satya Fred & 25 Others Vs UCDA and Rutas Vs UCDA at the end of the coffee year. These cases are not yet concluded and the Authority Lawyers assessment is that they are not likely to reasonably result into quantifiable contingent liabilities.

2.0 OUTSTANDING NURSERY OPERATORS

The Authority had outstanding nursery operators claims worth Shs 8.6 billion accumulated as a result of upscaled planting of coffee in line with Government programmes of Commodity Approach where 10 strategic commodities were prioritised for development fast-tracking to generate foreign exchange earnings and household incomes. For coffee in particular the target is to plant 100 million coffee seedlings every year.

2.1 OPERATIONALISATION OF THE PFMA 2015

The PS/ST Ministry of Finance's instructions to all public agencies including UCDA to fully comply with the PFMA with effect from 1st July 2015 led to the following issues:

- i) The Authority closed all her expenditure bank accounts and transferred all utilised funds to the consolidated fund by 30th June 2015;
- ii) The transfer of Shs 5.362 billion to the consolidated fund of funds for planned activities within the coffee year led to a loss that has been recognised in the accounts for the year. Since some of these activities had no budget in FY 2015/2016 they will not be undertaken until FY 2016/2017 where they have now been reprioritised and budgeted.
- iii) The entity is required to align her accounting year (Coffee Year Oct/Sep) with the GOU accounting year (financial year Jul/Jun) within three years after enactment of the new law. The Authority's Board has elected to effect the change immediately with effect of FY 2016/17.
- iv) In line with the above the Board has also elected to adopt the GOU Accounting policy of modified Cash Basis rather than operate a dual accounting system.



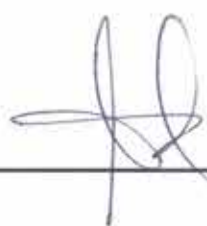
UGANDA COFFEE DEVELOPMENT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDING 30TH SEPTEMBER 2015

NOTE 1: FIXED ASSET SCHEDULE



COST/VALUATION	Land	Buildings	Office Furniture	Computer & Peripherals	Office Equipment	Motor Vehicles	Commercial Vehicles	Liquorific Equipment	Motor Cycles	Generator	Moisture Meters	Espresso Machines	Form Equipment	TOTAL
At 1 October 2014	4,060,000,000	12,157,746,000	276,675,055	374,492,609	211,995,942	462,687,147	512,262,399	295,072,102	140,011,798	94,748,174	132,909,000	76,771,089	43,461,000	18,858,216,915
Additions 2014/2015		99,450,966	133,172,000	96,091,049	12,815,000	271,147,100		489,028,302	152,603,136		23,500,261		11,950,000	1,210,747,834
Deposits 2014/2015														
At 30 September 2015	4,060,000,000	12,177,176,966	409,847,055	470,583,658	225,210,942	733,834,247	512,262,399	784,045,604	292,814,334	94,748,174	156,309,261	76,771,089	55,411,000	20,068,964,751
DEPRECIATION														
At 1 October 2014	427,168,749	913,391,828	191,143,504	266,143,313	122,042,384	211,000,624	313,750,507	202,223,119	80,494,239	44,310,831	44,681,236	23,890,379	13,360,641	2,952,599,049
Disposal Adjustments														
Accumulated depreciation-CORE CAPEX items for 13/14			8,449,000	12,704,434		23,432,248								44,785,682
Adjusted depreciation	427,168,749	913,391,828	199,592,504	278,847,747	122,042,384	234,432,872	313,750,507	202,223,119	80,494,239	44,310,831	44,681,236	23,890,379	13,360,641	2,997,384,731
Depreciation for the Year	106,789,487	225,271,703	75,204,146	63,272,923	12,880,227	99,879,873	49,612,972	66,218,674	42,444,015	5,812,481	10,995,343	6,345,686	4,807,243	719,054,974
At 30 September 2015	533,948,434	1,138,663,531	274,796,650	342,120,670	134,922,611	334,312,745	363,363,480	268,441,793	122,938,254	50,123,312	55,676,579	30,236,065	18,167,884	3,671,654,043
Net Book Value	3,546,051,564	11,038,513,434	184,830,405	128,462,988	90,288,329	399,521,502	148,898,919	485,603,811	169,876,080	44,624,862	80,632,681	46,535,024	35,253,114	16,397,310,688

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	2014/2015	2013/2014
NOTE 2. OTHER INVESTMENTS		
	2014/2015	2013/2014
Wet Processing Equipment	417,407,905	417,407,905
Total	417,407,905	417,407,905
NOTE 3. RETIREMENT BENEFITS SCHEME		
Short Term Fixed Deposits	965,000,000	955,347,000
Standard Chartered Bank (Staff Pension Funds collections Acc)	515,424,262	91,785,735
Total	1,480,424,262	1,047,132,735
	2014/2015	2013/2014
NOTE 4. SHORT TERM FIXED DEPOSITS		
Operations	1,624,513,899	2,560,851,414
Total	1,624,513,899	2,560,851,414
	2014/2015	2013/2014
NOTE 5. CASH AT BANK		
Stanbic Bank City Branch A/C 9030005950693	(16,824,152)	176,720,997
Stanbic Bank City Branch A/C 9030005900165	127,957,030	571,729,330
Standard Chartered Bank (Salary Account)	76,603	57,279,472
Barclays Bank Ltd. (Rent Account)	16,834,344	81,020,665
Housing Finance Company of Uganda Ltd	(47,436)	33,676
Tropical Africa Bank	204,432,158	965,279,323
Tropical Africa Bank Dollar A/C	338,512	174,699,703
BOU- Govt funding	1,243,533,348	-
Total	1,576,300,407	2,026,763,166
	2014/2015	2013/2014
NOTE 6. CASH AT HAND	1,498,960	245,000
NOTE 7. DEBTORS		
	2014/2015	2013/2014
Staff Advances	40,412,803	33,804,193
Motor Vehicle Loan scheme	142,118,915	243,860,735
Rent Receivable	66,152,568	59,507,184
5% General Provision for bad and doubtful debt for rent	(3,307,628)	(2,975,359)
Cess Debtors	1,313,314,219	971,587,125
5% General Provision for bad and doubtful debt for cess	(60,927,969)	(47,166,327)
Other debtors	17,958,000	17,958,000
Specific provision for bad & doubtful debts (Rent & Cess)	(112,712,839)	(46,218,589)
Total	1,403,008,069	1,230,356,962
	2014/2015	2013/2014
NOTE 8. PREPAYMENTS		
SCAA (MEMBERSHIP FEES, BOOTH & POTRAIT COUNTRY)		11,442,627
Rent for Regional Offices, Advert (United World) & International Coffee Report		52,015,450
Dstv Fees	3,008,156	1,045,800
Reimbursables (Water, Electricity & Security), Membership fees & Fuel town running	19,598,410	
2015/16 International Obligations (ACRN, IACO & ICO)	687,650,749	
Beijing Chenao Coffee CO. Ltd-Rent & Canton Fair	27,745,000	
Remittance to Consolidated fund	944,121,928	-
Support to NACORI	334,922,049	438,340,293
Total	2,017,046,292	502,844,170




UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

NOTE 9. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2014/2015	2013/2014
Prepaid Export Licence	22,500,000	3,000,000
Prepaid Rent	52,318,015	58,283,393
Prepaid Income	-	332,410,357
NSSF payable	46,490,051	2
Accruals	817,953,896	1,005,686,634
Local Service tax	11,692,497	9,579,997
withholding tax	29,957,841	816,959
PAYE	5,224,441	1,494,251
Water/Gabage	7,095,927	-
International (ACRN)	1	-
VAT	1,631,424	5,063,302
Nursery Operators	8,615,333,173	3,793,325,828
Other Creditors	41,513,584	-
Total	9,651,710,850	5,209,660,723
	2014/2015	2013/2014
NOTE 10. RETIREMENT BENEFIT SCHEME	1,480,424,264	1,047,132,737
	2014/2015	2013/2014
NOTE 11. FUNDS OF THE AUTHORITY		
General Reserves	2,216,750,000	2,216,750,000
C.F.C Counter Funding	266,315,261	266,315,261
Revaluation Reserve	11,507,934,349	11,507,934,349
Asac Funding	746,529,785	746,529,785
Stabex Funding	847,800,000	847,800,000
UCDA Coffee Seedlings	526,836,905	526,836,905
	16,112,166,300	16,112,166,300
	2014/2015	2013/2014
NOTE 12. PRIOR YEAR ADJUSTMENT		
WRITE BACK PROVISION FOR BAD DEBTS RENT & CESS	(96,360,275)	44,720,486
RENT & CESS ADJUSTMENTS	-	(2,608,514)
OTHER Y/E ADJUSTMENTS(UNPRESENTED CHEQUES, ACCRUALS		
RECONCILIATIONS, FOREX DIFFERENCES)	(173,615,479)	6,637,454
ABI CORE PROJECT-FIXED ASSETS NOT RECOGNISED	(182,948,844)	-
LEGAL FEES ON VARIOUS COURT CASES-LWERE LWANYAGA	92,954,656	-
	(359,969,942)	48,749,425
		
HENRY A. NGABIRANO MANAGING DIRECTOR	ANDREW KILAMA LAJUL BOARD SECRETARY/HEAD OF FINANCE & ADMINISTRATION	

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2015

13 REVENUE	2014/2015 BUDGET		2014/2015 ACTUAL		12 MONTHS VARIANCE	%	2013/2014
	U Shs		U Shs				
Cess 1%	12,553,920,000	12,542,000,510	(11,919,490)	100%	10,031,055,514		
Rent Income	850,380,756	826,628,761	(21,751,995)	97%	693,212,604		
Interest Earned	94,100,000	181,706,281	87,606,281	193%	324,871,164		
Registration fees	130,250,000	162,337,500	32,087,500	125%	136,180,852		
Sundry Income	51,000,000	79,776,001	28,776,001	156%	168,013,074		
Government Contribution	7,912,000,000	31,695,609,310	23,783,609,310	401%	9,286,007,435		
Centre of Robusta Excellence Project funds	1,139,000,000	917,511,185	(221,488,815)	81%	569,070,070		
	22,730,650,756	46,407,569,548	23,676,918,792	204%	21,148,410,713		
OPERATIONAL EXPENSES							
14 Staff Costs							
Salaries and Wages	3,381,261,586	3,073,164,344	(308,097,242)	91%	2,562,600,228		
Performance Allowance	15,080,000	17,235,000	(2,185,000)	115%	16,280,000		
Public Holiday Expenses	35,000,000	47,790,600	12,790,600	137%	34,376,040		
Leave Allowance	338,129,159	313,119,099	(25,010,060)	93%	268,663,130		
N.S.S.F. Contribution	371,941,075	347,001,821	(24,939,254)	93%	300,161,262		
General Staff Welfare	35,200,000	56,158,350	20,958,350	160%	37,780,150		
Welfare Costs (funerals)	7,000,000	20,453,500	13,453,500	292%	9,592,000		
Retirement Benefit Scheme	507,188,738	447,785,169	(59,403,569)	88%	380,509,358		
Contract Gratuity	47,200,000	47,044,147	(155,853)	100%	242,510,315		
Staff training	100,000,000	97,821,181	(2,198,819)	98%	55,000,000		
Outsource Allowance	149,030,000	73,837,648	(75,192,352)	50%	103,648,332		
Medical Insurance	292,200,000	207,951,885	(84,248,115)	81%	187,344,344		
Fuel town running/refund	143,344,000	126,027,990	(17,316,010)	87%	116,123,300		
Acting Allowance	19,350,000	8,205,804	(11,144,196)	42%	13,753,298		
	5,443,894,558	4,913,576,438	(530,318,120)	90%	4,326,261,757		
15 Administrative Expenses							
Maintenance and Consumables							
Repairs - Buildings	226,700,000	18,733,329	(207,966,671)	8%	116,646,506		
Repairs - Office Equipment	35,170,000	33,518,663	(1,651,337)	95%	29,696,216		
Other Services/Office Cleaning	58,000,000	58,039,734	(39,734)	100%	50,027,286		
Motor vehicle repair & maintenance	43,880,000	26,082,990	(17,797,010)	59%	24,408,040		
Motor vehicle fuel	64,779,687	84,269,434	(19,489,747)	130%	79,631,564		
Motor vehicle Services	47,680,000	36,167,756	(11,512,244)	76%	19,226,750		
Vehicle Parking fees	7,940,000	4,718,000	(3,222,000)	59%	3,932,000		
	484,149,687	261,529,904	(222,619,781)	54%	323,568,362		
Establishment expenses							
Telephone, Fax Bills	79,880,000	72,756,883	(7,123,117)	91%	63,647,563		
Postage, and Delivery	7,000,000	6,840,269	(159,731)	98%	8,684,929		
Professional Fees	44,924,651	21,005,980	(23,218,671)	47%	39,756,035		
Donations/Contributions	10,000,000	14,795,000	4,795,000	148%	11,485,000		
Insurance	131,182,874	102,291,064	(28,891,810)	78%	96,433,460		
Utilities - Water	27,720,000	23,812,100	(3,907,900)	86%	10,170,789		
Utilities - Electricity	61,470,000	50,767,057	(10,702,943)	83%	51,104,817		
Bank Charges/Interest Charges	26,000,000	34,874,762	8,874,762	134%	34,403,996		
Property Rates and taxes	28,470,000	28,165,363	(304,637)	99%	27,339,343		
Printing & Stationery	68,890,000	91,503,704	(22,813,704)	133%	70,797,260		
News Papers/Periodicals/subscription	18,144,000	17,630,470	(513,530)	97%	22,848,649		
Director Expenses	176,660,000	166,954,272	(9,705,728)	95%	56,365,460		
Office Security	74,800,000	(10,042,780)	(84,842,780)	147%	66,897,241		
Internal Travel Costs	97,420,000	105,028,610	(7,608,610)	108%	65,238,413		
Legal Fees	23,760,000	17,573,000	(6,187,000)	74%	13,034,292		
Foreign Exchange Differences	-	89,608,920	89,608,920	-	26,344,714		
Rental Income tax	138,165,313	131,165,312	(7,000,001)	95%	120,490,000		
DSTV Subscription	2,500,000	1,045,800	(1,454,200)	42%	1,254,960		
Adverts & Billboards	-	-	-	-	89,947,000		
Brochures, Corporate shirts & cards	44,930,000	35,792,800	(9,137,200)	80%	28,268,518		
Publicity & Advertisement	97,800,000	181,117,320	83,317,320	185%	105,985,343		
	1,158,814,838	1,302,771,464	(143,956,626)	112%	1,010,496,972		
	1,642,966,525	1,544,301,372	(98,665,153)	95%	1,334,065,334		
16 Programme Expenses							
Production & Research Costs							
Support to Coffee Research	1,255,307,613	1,255,300,000	(7,613)	100%	1,003,105,551		
Regional Coffee Extension Officers	520,280,000	520,280,000	-	100%	363,504,840		
Supervision & Reporting	457,796,000	425,576,622	(32,219,378)	93%	279,723,760		
Replanting Program	7,157,380,000	27,530,221,997	(20,372,841,997)	385%	12,870,097,308		
Radio Programs	120,000,000	104,904,442	(15,095,558)	87%	97,467,208		
Training and seminars	314,800,000	308,162,760	(6,637,240)	98%	269,580,915		
Technical Extension Services	428,496,000	343,010,920	(85,485,080)	80%	293,281,600		
Coffee Development in N. Uganda	417,520,000	381,215,320	(36,304,680)	91%	170,952,964		
Regional Officers facilitation	108,000,000	63,558,000	(44,442,000)	59%	62,477,344		
Propagation of CWD-R Lines AGT	750,000,000	-	(750,000,000)	0%	-		
Management of Diseases & Pests	700,000,000	511,423,100	(188,576,900)	73%	466,287,300		
Asia Conference	14,466,000	-	(14,466,000)	0%	19,705,367		
Transfer to Treasury	-	5,361,975,834	(5,361,975,834)	-	-		
	12,244,045,613	36,805,623,195	(24,561,577,582)	301%	15,896,384,557		

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2015

Strategy & Business Development costs					
Departmental Publications	97,040,000	74,786,276	2,253,724	92%	29,443,280
Market Evaluation/Stock Survey	61,233,456	61,966,343	(732,887)	101%	14,444,440
Information Technology Functions	463,240,000	92,041,959	371,198,041	20%	69,195,309
Monitoring & Evaluation	87,420,000	(83,543,361)	(96,123,361)	210%	48,219,060
Strategies Development	153,100,000	158,588,985	(5,488,985)	104%	40,820,900
	792,033,456	520,926,924	-271,106,532	66%	202,323,189
Quality and Regulatory Services					
Generic Promotion	1,334,883,370	2,065,518,355	(730,633,185)	155%	1,184,929,919
Promotion of Domestic Consumption	243,655,000	219,962,093	23,692,907	90%	140,232,023
Quality Assurance	293,070,000	259,711,907	33,358,093	89%	227,572,062
Training of quality controllers	217,624,000	188,991,721	28,632,279	87%	93,536,886
Quality enhancement thru mould prevention	88,288,000	87,483,817	804,183	99%	40,835,500
Development of fine robusta protocols	353,517,000	307,130,456	46,386,544	87%	180,125,878
Centre of Robusta Excellence Project funds	1,139,000,000	652,176,961	486,823,039	57%	306,056,844
	3,670,037,370	3,780,973,510	(110,936,140)	103%	2,153,289,110
Total Programme costs	14,704,114,439	41,107,523,629	(24,401,407,190)	244%	18,251,994,851
17 Other Support Expenses					
Support to Coffee Organisations					
UCTF Support	83,176,200	83,176,201	(1)	100%	79,203,696
NUCAFE Support	76,480,488	76,480,492	(4)	100%	71,671,440
Coffee Roasters Association	4,546,080	4,546,080	-	100%	3,788,400
Support to Uganda Farmers Alliance	41,739,224	32,780,179	8,959,045	79%	9,576,800
Support to AFCA	82,980,000	82,980,000	-	100%	81,903,000
SUPPORT TO WOMEN IN COFFEE	21,092,160	26,452,080	(5,359,920)	125%	12,576,800
	310,014,152	306,415,032	3,599,120	99%	258,720,136
18 International Obligations					
ICO - Contributions	195,050,000	205,003,000	(9,953,000)	105%	179,140,000
IACO - Contributions	482,400,000	594,375,500	(111,975,500)	123%	520,921,000
External Travel - ICO	101,800,000	101,407,778	392,222	100%	48,125,744
External Travel - IACO	27,710,000	-	27,710,000	0%	25,620,961
African Coffee Research Network (ACRN)	2,480,000	2,593,990	(113,990)	105%	2,970,085
Other Travel Costs	800,000,000	770,175,394	29,824,604	96%	-
	1,609,440,000	1,673,555,644	(64,115,644)	104%	774,777,790
19 Depreciation/Provisions					
Land	106,789,687	106,789,687	-	100%	106,789,687
Buildings	238,253,484	225,271,703	12,981,781	95%	229,472,534
Office Furniture	2,075,801	25,204,146	(23,128,345)	1214%	11,660,866
Computers and Peripherals	96,206,885	63,272,915	32,933,970	66%	53,346,169
Office Equipment	10,099,199	12,380,227	(2,281,028)	123%	(2,211,849)
Motor Vehicle	50,336,903	99,879,873	(49,542,970)	198%	62,921,128
Commercial Vehicle	79,884,445	49,612,973	30,271,472	62%	66,150,631
Liquoring Equipment	14,017,533	66,218,674	(50,201,141)	413%	8,862,816
Mashine meters	9,975,331	10,995,363	(1,020,032)	110%	9,290,149
Motor Cycle	11,903,388	42,464,015	(30,560,627)	357%	14,879,235
Generator	5,644,215	5,812,481	(1,68,266)	103%	6,605,092
Espresso Machine	8,601,685	6,345,685	2,256,000	74%	7,211,036
Farm Equipment	5,491,042	4,807,243	683,799	88%	3,831,867
Provision for Cess & Rent debtors	-	176,948,436	(176,948,436)	-	78,402,275
	641,279,598	896,003,421	(254,723,823)	140%	671,355,104

HENRY A. NGABIRANO
MANAGING DIRECTOR

ANDREW KILAMA LAJUL
**BOARD SECRETARY/HEAD OF
 FINANCE & ADMINISTRATION**



COFFEE HOUSE
PLOT 35 JINJA RD
P.O. Box 7267, Kampala
Tel: 256 41 256940; 233073
Fax: 256 41 232912
E-mail: ucda@ugandacoffee.go.ug
www.ugandacoffee.go.ug