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

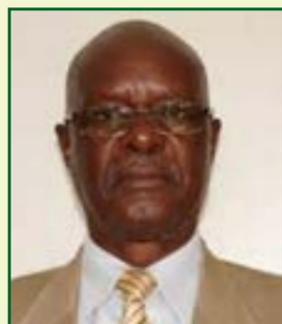


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Minister of State for Agriculture

UCDA Board of Directors



Mr. Perez Bukumunhe
Board Chairman



Hon. Gerald Ssendaula
Representative of Coffee
Farmers



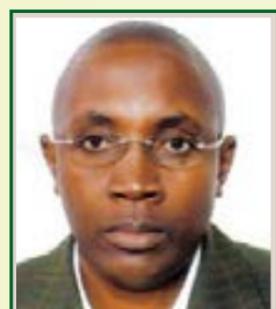
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Board Secretary/Head of
Finance & Administration
UCDA



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FOREWORD

I have the honor to present the Annual Report for the Coffee Year 2012/13. As we close the year, it is prudent to take stock of our efforts, recognize the enormous progress we have made to date, as well as the challenges we still face, and ensure that we are making the most of new opportunities to optimize the impact of our mandate for the benefit of the Coffee subsector.

In this regard, the year was a pivotal one, marked by critical milestones and important developments ranging from approval of the National Coffee Policy by Cabinet in August 2013, to solidifying our commitment to scale up planting of coffee in traditional and new areas.

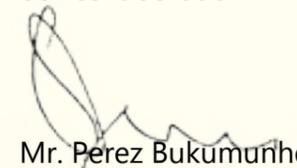
The growth of the Coffee subsector has kept on an upward trend as the Board, Management and Staff have continued to register remarkable success in areas of Production, Quality, Research, Information dissemination, Generic Promotion and Domestic consumption.

In the Coffee Year 2012/13, Uganda exported 3.58 million 60-kilo bags worth US\$ 433 million up from 2.73 million bags worth US\$ 393 million exported in Coffee Year 2011/12.

As the Global Coffee industry world grapples with challenges of price volatility, changing weather patterns, pests and diseases, effects of climate change, I commend the Management and Technical team for their tireless efforts in taking forth the coffee development agenda.

I also take this opportunity to extend my gratitude, on behalf of the entire Board and Management to Government, Development partners as well as the private sector for the technical and financial support accorded to boost the subsector development programmes.

We are committed to continually measure and assess the impact of our work to ensure that good intentions and best efforts consistently lead to tangible improvements in livelihood of the Uganda's society. But we certainly cannot do it alone. In order to fully reap the fruits of our effort, we need to enhance and expand our collaboration – with civil society, development partners and the private sector.



Mr. Perez Bukumunhe
UCDA Board Chairman

ACRONYMS / ABBREVIATIONS

4Cs	Common Code for Coffee Communities	JCRC	Joint Clinical Research Center
ABC	Africa Barista Championship	KARI	Kawanda Agricultural Research Institute
ACSS	African Crop Science Society	KIU	Kampala International University
AFCA	African Fine Coffees Association	KYU	Kyambogo University
AGT	Agro Technology Laboratory	LEAD	Livelihood and Enterprises for Agricultural Development
BCCCL	Beijing Chenao Coffee Co. Ltd	MAAIF	Ministry of Agriculture, Animal Industry & Fisheries
BCTB	Black Coffee Twig Borer	MC	Moisture Content
BCU	Bugisu Co-operative Union	MoFPED	Ministry of Finance, Planning and Economic Development
BOD	Board of Directors	MoLG	Ministry of Local Government
CBD	Coffee Berry Disease	MUK	Makerere University Kampala
CBN	Community Based Nurseries	NAADS	National Agricultural Advisory Services
ASIC	International Conference on Coffee Science	NaCORI	National Coffee Research Institute
cDNA	Complimentary Deoxyribonucleic Acid	NARO	National Agriculture Research Organization
CWDr	Coffee Wilt Disease Resistant	NES	National Export Strategy
DNA	Deoxyribonucleic Acid	NGOs	Non-Governmental Organisations
CCTV	Closed-Circuit Television	NTOH	National Taste of Harvest
CLR	Coffee Leaf Rust	NUCAFE	Nation Union of Coffee Agribusinesses and Farm Enterprises
FTF	Feed The Future	OT	Out-turn
PCR	Polymerase Chain Reaction	PFA	Prosperity For All
RNA	Ribonucleic Acid	PMU	Privatization Monitoring Unit
IDH	Sustainable Trade Initiative	PPDA	Public Procurement and Disposal of Assets Authority
ITC	International Trade Centre	RFA	Rain Forest Alliance
ITS	Internal Transcribed Spacer	SCAA	Specialty Coffee Association of America
COREC	Coffee Research Centre	SCAE	Specialty Coffee Association of Europe
COSASE	Committee on Statutory Authorities and State Enterprises	SCAJ	Specialty Coffee Association of Japan
CQI	Coffee Quality Institute	UCDA	Uganda Coffee Development Authority
CWD	Coffee Wilt Disease	UCTF	Uganda Coffee Trade Federation
DFI	District Farm Institute	UMA	Uganda Manufacturers Association
DSIP	Development Strategy and Investment Plan	UNAA	Ugandan North American Association
ELLA	Evidence and Learning from Latin America	UNADA	Uganda National Agro-Input Dealers Association
EU	European Union	UNCC	Uganda National Cup-Tasters Competition
FAQ	Fair Average Quality	USAID	United States Agency for International Development
GAPs	Good Agricultural Practices	USDA	United States Department of Agriculture
GHPs	Good Handling Practices	WBC	World Barista Championship
GMPs	Good Manufacturing Practices	WTO	World Trade Organization
IACO	Inter-Africa Coffee Organization	ZARDI	Zonal Agricultural Research Development Institute
ICA	International Coffee Agreement		
ICC	International Coffee Council		
ICO	International Coffee Organization		
IDR	Institute for Development Research		
IITA	International Institute of Tropical Agriculture		
IPM	Integrated Pest Management		

EXECUTIVE SUMMARY

OVERVIEW

In the UCDA Budget and Work plans for coffee year 2012/2013 the Authority implemented coffee development programs taking into account the current Government plans, namely: Development Strategy and Investment Plan (DSIP) of the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) and the National Development Plan (NDP). The strategic objectives the Authority pursued were:

- Launching and operationalization of the National Coffee Policy and the National Coffee Strategy
- Production of clean planting materials
- Supporting coffee research and development
- Promoting coffee as a final product
- Promotion of domestic coffee consumption
- Enforcement of coffee regulations to enhance quality along the value chain.
- Efficient utilization of assets and resources and
- Maintenance of a motivated and result oriented workforce to implement the intended objectives.

COFFEE MARKET PERFORMANCE

A total of 3.58 million 60-Kilogramme bags (214,958 tonnes) of coffee worth US\$ 432.69 million were exported to various destinations, up from 2.73 million bags (163,560 tonnes) of coffee worth US\$ 392.70 million recorded in the previous year. The exports comprised 2.78 million bags of Robusta (166,889 tonnes) up from 1.904 m bags (114,251 tonnes) the previous year and 0.801 million bags (49,069 tonnes) of Arabica slightly lower than the previous year (0.82 million bags). Robusta fetched US\$ 317.73 million and Arabica was worth US\$ 114.97 million.

69% of total exports were shipped to European Union (EU) compared to 71% last year. Coffee exported to Sudan was 13% compared to 16% exported in the previous year 2011/12.

The weighted average price at export level stood at \$ 2.01 per kilo US 39 cents lower than \$ 2.40 per kilo realized in 2011/12.

A total of 54 exporting companies were registered during the year and 48 performed compared to 42 in the previous year. The best 10 companies had a market share of 73% compared to 81% the previous year reflecting reduced concentration at the exporter level during the year. At post-harvest level, 495 industry players were registered in the Coffee Year compared to 394 in the previous year.

QUALITY AND REGULATORY SERVICES

UCDA trained 1,954 farmers, traders and processors on coffee standards as per the coffee regulations, good harvest and post-harvest practices. Eleven (11) sensitization meetings on coffee regulations and Post-Harvest Practices were held in 9 districts for key value chain actors.

UCDA carried out five task forces in all regions to enforce Coffee Regulations. Twenty Four (24) primary processing factories located in Kasese, Rukungiri and Bushenyi were penalized due to malpractices and non-conformance to the Coffee Regulations.

The average cup quality improved in 2012/13 to 98.2% compared to 96.1% in the previous year. Notable improvement in the cup quality was registered for washed Robusta coffee at 98.3% from 98.1% in the previous year. Organic Bugisu Arabica maintained 100% clean cup quality.

A total of 139 participants were trained in defects' identification, moisture determination, roasting profiles and techniques, flavor profiles, and liquoring. These consisted of 23 participants from the coffee industry, 17 from tertiary institutions and 99 field based quality controllers.

Thirteen (13) barista judges were calibrated by a team of judges led by international trainers. Two Barista judges were trained in Italy and Singapore to enhance the capacity to train and judge at local and international Barista events.

A total of 74 baristas (54 beginners and 20 practicing baristas) participated in the 6th Uganda National Barista Championship with Mr. Godfrey Batte emerging as the winner.

Ugandan Coffee was showcased in local trade fairs and exhibitions that included among others, the Uganda Manufacturers Association International trade show, World Food Day, Golden Jubilee independence show, Buganda Cultural Show at

Bulange, Mengo, Car boot sale organized by All Saints Church, Nakasero at Kololo airstrip, corporate league outings and a host of regional trade fairs.

At the International fora, UCDA showcased Ugandan coffee at the Ugandan North American Association (UNAA) convention, Specialty Coffee Association of Japan (SCAJ), Specialty Coffee Association of America (SCAA) and Specialty Coffee Association of Europe (SCAE).

The Managing Director of UCDA was awarded a lifetime Quality award by Coffee Quality Institute for his work in supporting coffee science and quality improvement during the SCAA exposition in Boston, USA.

PRODUCTION

Promotion of Planting Material Production

- Distributed 19,500 Kgs of Elite Robusta and Arabica seed to community based nursery groups. This raised 39 million seedlings.
- In partnership with Hima Cement, 1,000Kgs of Arabica and 500 Kgs of Robusta seed were distributed to farmers in Kasese and Kamwenge Districts respectively generating 3 million seedlings for planting by the communities.
- Thirty five (35) Nursery operators were allocated CWDr 12,250 plantlets to establish mother gardens for subsequent generation of clones for expansion of the mother gardens. This brings the cumulative number of nursery operators to 80, with a total of 35,100 CWDr mother bushes established.
- Tissue Culture -50,200 CWDr plantlets were delivered for weaning and hardening.

Management of Diseases and Pests

- Held 34 Sensitization seminars, workshops and training on Black Coffee Twig Borer in 34 districts.
- Delivered 3,260 litres of chemical (*Orthene – Imidacropid*) and 180 kits for spraying against Black Coffee Twig Borer. A total of 4,121 acres of coffee were sprayed benefitting 2,367 Households.
- Established 34 demonstration sites to act as training centers for farmers especially on the management of the Black Coffee Twig Borer. A total of 34 gangs of 10 members each were trained on good spraying practices.

Promotion of Coffee Replanting

- Planted a total of 17.39 million seedlings under various initiatives, benefiting a total of 104,890 households;

Coffee Rehabilitation

- Rehabilitated 895 acres of coffee plantations by farmers through allocation of pruning kits to 80 farmer groups for community pruning.
- Held Farmer competitions in 25 districts, involving 1,250 farmers. The best 10 performing farmers per district were rewarded with various items such as hand pulpers, tarpaulins, drying trays and solar panels.

Support to Coffee Development in Northern Uganda

- Held 6 sensitization workshops and seminars for local leadership and other stakeholders to popularize coffee growing.
- Two farmers groups from Acholi and Lango sub Regions undertook a field tour of Western Uganda (Mityana, Mubende and Bushenyi).
- Of the 2.3 million seedlings raised by community based nurseries, a total of 1.929 million coffee and 0.645 million shade trees were planted, benefitting 4,840 households.
- Established 20 technology development sites to act as training and demonstration sites on new technologies.
- Conducted 3 workshops on Processing and market development. Besides, distributed 30 coffee drying trays, 272 tarpaulins to 45 farmer groups as a drive to improve quality at post-harvest.
- Sold 138.71MT of *Kiboko* by farmers at average prices of shs 2,000 – 2,200/Kg). There was an increase in the number of local buyers.

Promotion of Sustainable Coffee Production Initiatives

- Trained 10 Farmer groups on Organic and Fairtrade production practices in 10 coffee growing districts
- Supported 3 farmer groups with 4C Verification, preparation for Utz Certification and Eco-cert Certification

Farmer Training and Extension Liaison

- Undertook 5 inter regional field trips by farmers.
- Held 30 Coffee shows in 30 districts.
- Conducted 342 Seminars on coffee production, quality improvement and enforcement of coffee regulations with 30,560 participants

- Aired 108 programmes (30 minutes each) on Radio in 5 Regions.

COFFEE RESEARCH

Progress on Robusta coffee

- A total of 6,839 rooted cuttings were generated of which 5,772 were given out to nursery operators for propagation of the 7 released CWD resistant clones by tissue culture
- Conducted on-farm evaluation of potential high value lines of CWD resistant Robusta coffee
- Up-scaling of CWD resistant Robusta coffee clones-151 clones have been thoroughly evaluated and from which 35 clones (the 7 varieties inclusive) were selected and advanced to on-farm trials.
- During the reporting period, germplasm plots of 651 entries from farms within Uganda and 125 genotypes introduced from Ivory Coast, which were planted at Kituza in the previous reporting periods, were maintained. Another set of data was collected from these trials on yield, response to diseases and growth parameters. 120 of the Kawanda collections which were planted at Kituza in the previous period were maintained. Rooted cuttings were raised for gap filling.

Progress on Arabica Coffee

- Over 30 isolates from major Arabica coffee growing regions have been collected and preserved under -20°C at NaCORI bioscience laboratory.
- PCR (Polymerase Chain Reaction) amplification conditions for ITS1 (Internal Transcribed Spacer) and ITS4 primers for genetic diversity of Coffee rust pathogen have been fully optimized at NaCORI bioscience laboratory.
- Joint Clinical Research Center (JCRC) has been identified as a possible provider of cost-effective DNA sequencing services in Uganda.

FINANCE AND ADMINISTRATION

In the Coffee Year 2012/13, Cabinet approved the National Coffee Policy in line with the Development Strategy and Investment Plan (DSIP), the draft National Agricultural Policy and the National Development Plan. In addition, UCDA upheld good

governance, practiced good HR Management, implemented good financial, asset management and auditing systems, and ensured compliance to procurement laws and guidelines. In keeping with the provisions of the Statute, UCDA guaranteed that its revenue was sufficient to meet its planned expenditure.

UCDA generated total revenue of UGX 15.688 billion to fund its programmes and activities and had a revenue expenditure of UGX 14.506 billion. Cess income, Government Contribution, Rent, Registration fees, and Interest earned on fixed deposits were the major sources of revenue.

The Authority maintained a total of 61 members of Staff on its structure, under the four departments of Production, Quality and Regulatory Services, Strategy and Business Development, and Finance and Administration.

Management recruited 12 members of Staff in the departments of Strategy and Business Development, Quality Control and Regulatory Services and Production.

Management together with the Parliamentary Committee on Statutory Authorities and State Enterprises (COSASE) and the Parliamentary Committee on Agriculture conducted field visits to Western, South Western and Central Regions.

UCDA - Senior Staff



Mr. Henry Ngabirano
Managing Director



Mr. Fred Luzinda
Board Secretary/Head of
Finance & Administration



Mr. Norman Mutekanga,
Manager Strategy and Business
Development



Mr. Edmund Kananura,
Quality & Regulatory Service
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,
Western



Ms. Doreen Rweihangwe,
Principal Quality Controller



Mr. Mike Maliro,
Principal Development Officer,
Northern



Mr. Eliot Ainomugisha
Head, Procurement & Disposal
Unit (PDU)

**Chapter
1**

COFFEE MARKETING PERFORMANCE

1.0 General Performance

The coffee year which ended on September 30th 2013, registered a total of 3.58 million 60-Kilogramme bags (214,958 tonnes) worth US\$ 432.69 million which were exported to various destinations, up from 2.73 million bags (163,560 tonnes) of coffee worth US\$ 392.70 million recorded in the previous year. The exports comprised 2.78 million bags of Robusta (166,889 tonnes) up from 1.904 m bags (114,251 tonnes) the previous year and 0.801 million bags (49,069 tonnes) of Arabica slightly lower than the previous year (0.82 million bags). Robusta fetched US\$ 317.73 million and Arabica was worth US\$ 114.97 million.

A total of 2.468 million 60-kg bags of coffee (market share of 69% of total exports) were shipped to European Union (EU) compared to 1.86 million bags (71%) last year. Coffee exported to Sudan totaled 0.45 million bags (13%) compared to 0.43 million bags (or 16%) exported the previous year 2011/12.

The weighted average price at export level stood at \$ 2.01 per kilo US 39 cents lower than \$ 2.40 per kilo realized in 2011/12, \$ 2.38 in 2010/11 and \$1.67 in 2009/10.

The weighted average price for Arabica stood at \$ 2.39 per kilo US cents 103 lower than \$3.42 per kilo realized in the previous year. Robusta weighted price was \$1.90 per kilo US 6 cents lower than \$1.96 per kilo last year. The lower realized export prices were in line with global fundamentals which reflected high global supply, adequate inventories in importing countries on one hand and increasing demand especially from producing and emerging markets on the other, the economic meltdown in Europe notwithstanding.

1.1 Coffee Procurement

Coffee procurement in 2012/13 was 3.9 million bags, an increase by 25.6% from 3.1 million bags (195,994 tonnes) in 2011/12. Robusta marketed production increased by 35.0%, from 2.2 m bags in 2011/12 to 3.0 m bags in 2012/13. There was a marginal increase of 2.2% in Arabica, though it was an off-year characteristic of Arabica production. This is attributed to

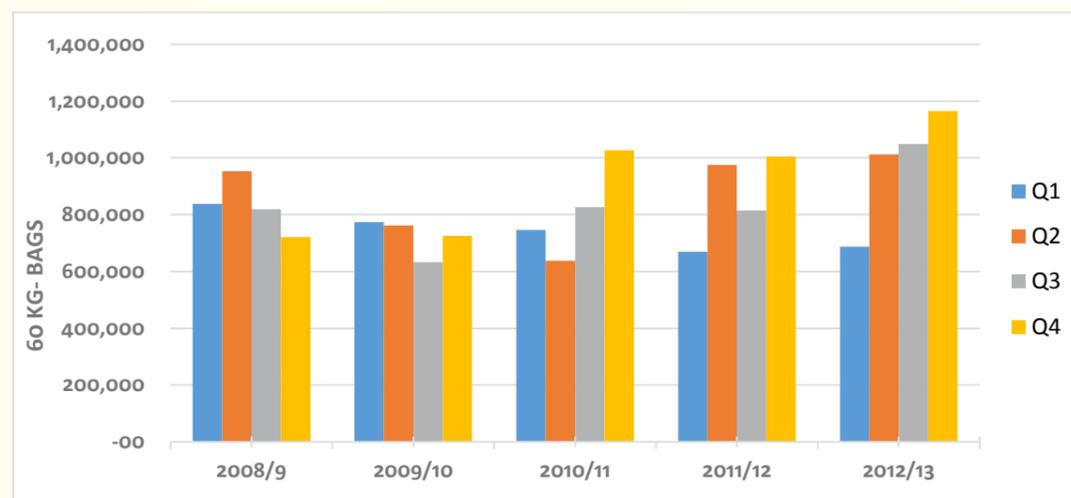
the newly planted Arabica trees coming into fruition coupled with a reduction in the incidence of pests and diseases - Coffee Leaf Rust and Coffee Berry Disease. Table 1 represents marketed coffee (FAQ and Arabica parchment) to the export grading factories.

Table 1: Coffee Procurement by Type 2008/09-2012/13 in 60 Kg Bags

Coffee Year	Coffee Type		TOTAL	% -Age Change Over Previous yr.
	Robusta	Arabica		
Average	2,507,244	782,201	3,289,445	-
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
2009/10	2,076,557	817,319	2,893,876	-11.22
2008/09	2,609,518	650,029	3,259,547	-6.61

Figure 1 below shows quarterly coffee receipts at the export grading factories in the coffee year 2012/13 as compared to 2011/12. Just like the previous year, coffee procurement was highest during the last quarter (July-September), the main harvesting and marketing season for Masaka and the South-western regions in spite of a drought especially in Mpigi and greater Masaka region which affected its quality reflected in lower outturn compared to the previous year.

Figure 1: Comparative Quarterly Coffee Procurement Figures 60 Kilo Bags



For the last three years, coffee procurement has exhibited a shift from a peak in Quarter one and Quarter two to a peak in Quarter four and Quarter three. It is probable that the

production from the southern hemisphere is on positive trend as result of newly planted coffee.

1.2 Closing Stocks

Table 2 shows Uganda's coffee balance as at the close of the year Oct/Sept 2012/13. 717,737bags of coffee (Robusta - 561,438 bags and Arabica – 156,299 bags) were in stock at various levels within the supply chain, 90% of which was with exporters in various grades. This was generally due to lower global prices on account of ample supply from most of major origins and a lower demand from the traditional markets especially in Europe which experienced an economic meltdown.

Table 2: Closing Stocks as on 30th September 2013

Oct 2012-Sep 2013	Coffee Type – 60Kg Bags		Total
	Robusta	Arabica	
Opening Stock Oct 01, 2012	506,153	97,341	603,494
Total Production	3,004,763	908,109	3,912,872
Availability	3,510,916	1,005,450	4,516,366
Domestic Coffee Consumption	168,000	48,000	216,000
Exports	2,781,478	801,151	3,582,629
Closing Stock Sept 30, 2013	561,438	156,299	717,737

1.3 External Market

1.3.1 Coffee Export Performance

The annual total coffee exports were 3,582,629 60-Kilo bags (214,958 tonnes) up from 2,726,249 bags (163,575 tonnes), a 31.4% increase from the previous year. The corresponding value also rose by 10.2% from US \$ 392.70 million in 2011/12 to \$ 432.69 million in 2012/13.

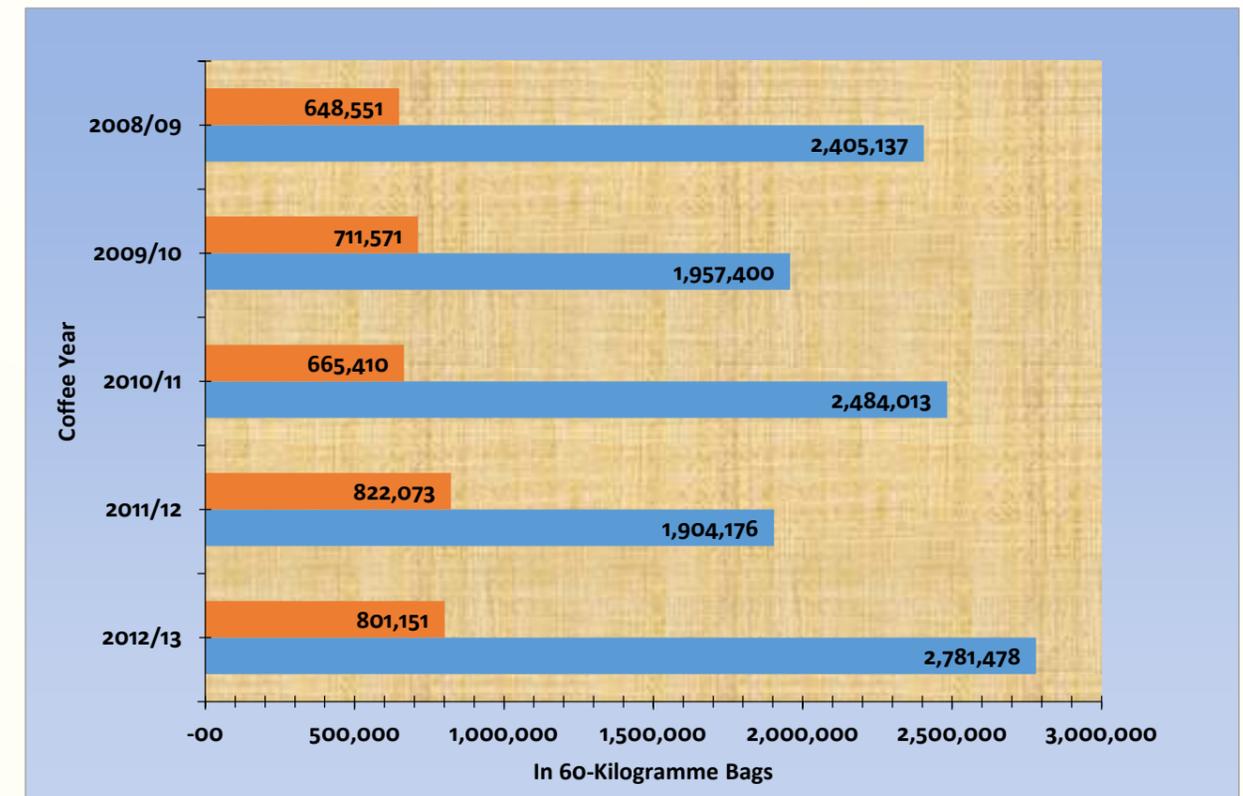
Table 3 represents Uganda's coffee export performance on a monthly basis in terms of quantity and value during the year as compared to the previous year.

Table 3: Monthly Coffee Exports in 60 kilo bags and US\$

MONTHS	2012/13		2011/12		% -Age Change	
	Qty	Value \$	Qty	Value \$	Qty	Value \$
G/ Total	3,582,629	432,694,059	2,726,249	392,698,138	31.41	10.18
October	178,024	23,495,286	215,285	31,106,808	-17.31	-24.47
November	224,396	28,966,727	227,177	34,095,283	-1.22	-15.04
December	243,181	30,464,232	241,661	36,902,863	0.63	-17.45
Qtr - 1	645,601	82,926,245	684,123	102,104,955	-5.63	-18.78
January	345,114	42,564,818	226,462	33,870,470	52.39	25.67
February	343,130	42,106,104	244,289	36,149,470	40.46	16.48
March	309,190	37,804,890	187,592	30,220,858	64.82	25.10
Qtr - 2	997,434	122,475,812	658,343	100,240,798	51.51	22.18
April	247,429	30,326,868	141,220	21,864,582	75.21	38.70
May	392,385	42,824,531	252,443	35,738,198	37.51	19.83
June	361,521	44,535,652	275,051	37,005,407	36.77	20.35
Qtr - 3	970,753	117,687,052	668,714	94,608,188	45.17	24.39
July	395,564	48,671,697	306,331	40,801,566	39.11	19.29
August	318,394	35,942,943	232,453	31,556,474	36.97	13.90
September	224,301	24,990,309	176,285	23,386,157	27.24	6.86
Qtr - 4	968,841	109,604,950	715,069	95,744,197	35.49	14.48

Figure 2 below, illustrates annual coffee export quantities by type – Robusta and Arabica in bags during the past four (4) years. Robusta exports increased during coffee year 2012/13 compared to the previous year while Arabica exports reduced slightly on account of lower global prices which forced exporters to stockpile in anticipation of high prices in the future. This was also supported by a high stock level at the close of the season especially for Arabica.

Figure 2: Comparative Coffee Exports by Type CY 2008/09 to 2012/13



1.3.2 Coffee Exports by Type and Grade

Table 4 illustrates coffee exports by type (Robusta and Arabica), grade and average realised prices for each grade during the year as compared to 2011/12. The table shows increased differentiation especially of Arabica coffee with distinct price premiums between speciality/sustainable and conventional coffees. In Robusta, Organic Robusta fetched \$ 2.38 per kilo and UTZ Robusta fetched \$2.29 per kilo compared to Screen 18, a premium of 32 and 23 cents respectively. In Arabica, Sipi Falls fetched \$3.62 compared to Bugisu AA in the conventional market sold at \$ 2.83, a price differential of 79 cents.

Table 4: Comparative Coffee Export Grades and Unit Prices

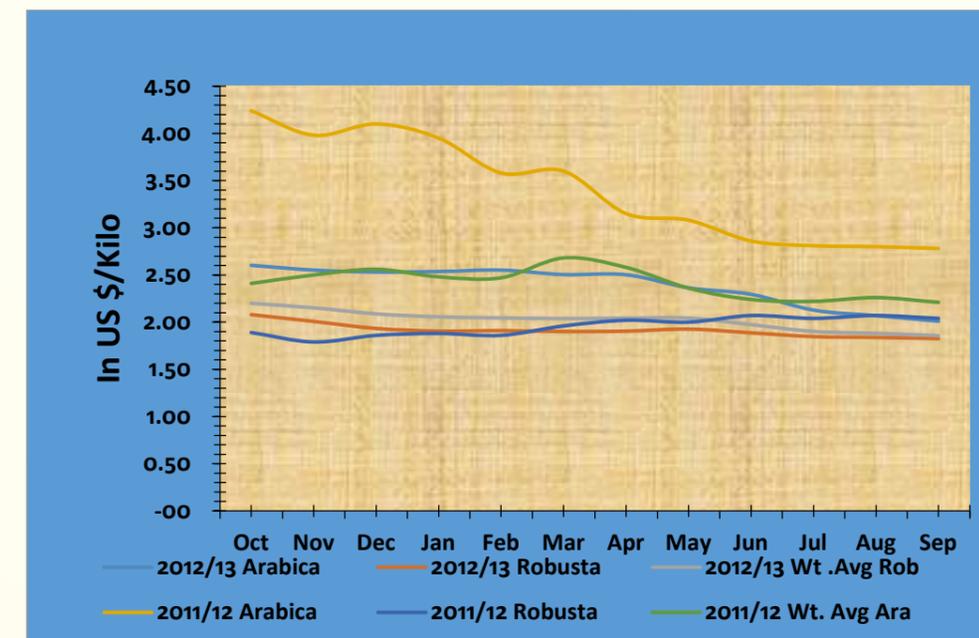
Coffee Type/Grade	2012/13			2011/12		
	Quantity	Value	US\$/Kg	Quantity	Value	US\$/Kg
TOTAL	3,582,629	432,694,059	2.01	2,726,249	392,698,138	2.40
ROBUSTA	2,781,478	317,728,861	1.90	1,904,176	223,976,023	1.96
Organic Robusta	5,494	784,848	2.38	6,770	841,500	2.07
Washed Robusta	25,730	3,533,330	2.29	10,239	1,377,595	2.24
Utz Robusta	2,310	264,873	2.23	990	137,545	2.32
Screen 15 Utz	990	114,154	1.92			
Screen 18	295,061	36,499,544	2.06	236,315	30,471,309	2.15
Screen 17	104,346	12,604,626	2.01	85,100	10,783,739	2.11
Screen 15	1,516,428	178,315,267	1.96	941,857	116,726,527	2.07
Screen 14	2,720	286,592	1.76	5,700	671,036	1.96
Screen 13	360	51,472	2.38	334	39,762	1.98
Screen 12	530,403	59,304,584	1.86	325,877	37,967,855	1.94
BHP 1199	170,682	14,162,708	1.38	145,225	11,987,112	1.38
Other Robusta	126,954	11,806,863	1.55	145,769	12,972,044	1.48
ARABICA	801,151	114,965,197	2.39	822,073	168,722,105	3.42
Organic Okoro	17,810	2,609,242	2.44	3,414	733,219	3.58
Organic Bugisu	1,280	235,007	3.06	33,854	8,146,316	4.01
Mt. Elgon	16,019	2,788,190	2.81			
Elgon A	1,630	263,848	2.70			
Elgon A+	12,361	1,986,453	2.68			
Bugisu A+	23,460	3,757,255	2.67			
Sips Falls	3,536	765,117	3.62			
Bugisu Premium				640	227,049	5.91
Bugisu RFA	1,120	207,832	3.09			
Okoro RFA	320	59,260	3.09			
Rwenzori	1,020	163,790	2.68			
Supremo				2,520	576,194	3.81
Organic Wugar				2,448	660,396	4.50
Organic Drugar	4,910	755,732	2.57	6,478	1,445,068	3.72
Bugisu AA	96,116	16,317,235	2.83	72,306	17,292,782	3.99
Bugisu A	13,893	2,302,764	2.76	14,560	3,415,596	3.91
Bugisu PB	5,254	821,341	2.61	8,988	2,047,155	3.80
Bugisu AB	66,261	10,350,470	2.60	38,554	8,364,285	3.62
Bugisu CPB	17,660	2,466,042	2.33	2,480	617,901	4.15
Bugisu B	1,297	179,007	2.30	766	221,532	4.82
Bugisu C	1,518	197,732	2.17	2,480	645,719	4.34
Mixed Arabica	4,360	525,347	2.01	3,040	461,908	2.53
Wugar	54,093	7,825,804	2.41	44,264	9,813,030	3.69
Drugar	384,823	53,513,841	2.32	475,747	100,026,017	3.50
Other Arabica	72,410	6,873,886	1.58	109,534	14,489,846	2.20

1.3.3 Realized Prices at Export Level

The weighted average price for the year stood at \$ 2.01 per kilo, Cents 39 below the previous year's unit price of \$ 2.40. The general negative price trend was exhibited throughout the year in line with the International Coffee Organization (ICO) composite indicator price. Arabica export prices averaged \$ 2.39 per kilo compared to \$3.42 last year while Robusta lost 6 cents at \$ 1.90 per kilo compared to \$ 1.96 the previous year.

Figure 3 illustrates the monthly average prices for each type of coffee – Arabica and Robusta – on a comparative basis. The annual weighted average for the coffee year was lower at US\$ 2.01 per kilo (Arabica – 2.39 and Robusta - 1.90) compared to US \$ 2.40 per kilo (Arabica - 3.42 and Robusta - 1.96) the previous year. This was due to global supply increase attributed to production from major origins: Brazil and Vietnam, and a recovery in Colombia. That notwithstanding, production in Mexico and Central America continued to reduce on account of the coffee leaf rust.

The highest weighted average price for Arabica was realized in March 2013 when it reached US \$ 2.68 and the lowest in September (US\$ 2.21). The highest price for Robusta was US\$ 2.20 per kilo in March 2013 and lowest in September 2013 at US \$ 1.86 per kilo. The price differential between Robusta and Arabica narrowed especially in the last quarter of the year.

Figure 3: Monthly Average Unit Prices by Type in CY 2011/12 and 2012/13

1.3.4 Export Performance by Individual Companies

A total of 54 exporting companies were registered during the year and 48 performed compared to 42 in the previous year. The best 10 companies had a market share of 73% compared to 81% the previous year and 80% in 2010/11 reflecting reduced concentration at the exporter level during the year.

Table 5 shows the export performance of each company in terms of quantity (Robusta and Arabica), percentage share and cumulative market shares.

Table 5: Coffee Exports by Individual Companies CY 2012/13

Exporting Company	Quantity – 60 kg Bags			%age Market Share	
	Robusta	Arabica	Total	Individual	Cumulative
Grand Total	2,781,478	801,151	3,582,629	100.00	
1 Ugacof (U) Ltd	530,645	79,179	609,824	17.02	17.02
2 Kyagalanyi Coffee Ltd	249,023	125,078	374,101	10.44	27.46
3 Olam (U) Ltd	282,550	35,180	317,730	8.87	36.33
4 Kawacom (U) Ltd	127,415	93,568	220,983	6.17	42.50
5 Job Coffee Ltd	116,498	88,155	204,653	5.71	48.21
6 Kampala Domestic Store	199,914		199,914	5.58	53.79
7 LD Commodities	152,058	37,183	189,241	5.28	59.07
8 Savannah Commodities	153,649	32,445	186,094	5.19	64.26
9 Ibero (U) Ltd	150,309	10,960	161,269	4.50	68.76
10 Armajaro	105,496	38,011	143,507	4.01	72.77
11 Great Lakes Ltd	46,968	87,390	134,358	3.75	76.52
12 Export Trading Company	113,094		113,094	3.16	79.68
13 Ideal Commodities	93,190	9,380	102,570	2.86	82.54
14 Lakeland Holdings	54,668	47,822	102,490	2.86	85.40
15 Ishaka Commodities	52,046	660	52,706	1.47	86.87
16 Kamba Petroleum	40,349	11,911	52,260	1.46	88.33
17 Commodity Solutions	49,622		49,622	1.39	89.72
18 Nakana Coffee Factory	44,936		44,936	1.25	90.97
19 BESMARK Coffee Co. Ltd.	32,338	9,450	41,788	1.17	92.14
20 Risala (U) Ltd	17,590	15,300	32,890	0.92	93.06
22 Mbale Import & Exporters	5,577	26,119	31,696	0.88	93.94
23 Wabulungu Multipurpose	26,067	320	26,387	0.74	94.68
24 Ankole Coffee Producers	23,640	977	24,617	0.69	95.37
25 Ronald Bwambale	20,462	3,696	24,158	0.67	96.04
26 Coffee World	17,696	2,600	20,296	0.57	96.01
27 Kaweri Coffee Plantation	20,000		20,000	0.56	97.17
28 Bakwanye Trading Co.	3,242	16,190	19,432	0.54	97.71
29 KARAZ Coffee Factory	16,420		16,420	0.46	98.17
30 Ankole Coffee Processors	6,260	3,120	9,380	0.26	98.48

31 Kisuule & Sons	7,240	2,030	9,270	0.26	98.69
32 GERIOUS Ltd.	7,316		7,316	0.20	98.89
33 Select Services		6,700	6,700	0.19	99.08
34 Gumufindo Cooperative		6,020	6,020	0.17	99.25
35 Zigoti Coffee Works	5,291	598	5,889	0.16	99.41
36 Bukonjo Joint Coop.	1,520	2,350	3,870	0.11	99.52
37 NITUBASA		3,516	3,516	0.10	99.62
38 Kitasha Buyers	3,150		3,150	0.09	99.71
39 Banyankole Kweterana	2,574		2,574	0.07	99.78
40 Nile Highland Arabica		2,110	2,110	0.06	99.84
41 Kibinge Coffee Farmers	1,920		1,920	0.05	99.89
42 Shiba World Investment		1,132	1,132	0.03	99.92
43 Budadiri Arabica Coffee		960	960	0.03	99.95
44 Sebab Global Traders	320	320	640	0.02	99.97
45 Masai Tours Ltd.		320	320	0.01	99.98
46 KABUM Trading Company		320	320	0.01	99.99
47 Katuka	320		320	0.01	100.00
48 Bridge Commodities	105	81	186	0.01	100

Like the previous year, Ugacof (U) Ltd had the highest market share of 17% compared to 16% percent in 2011/12. This was followed by Kyagalanyi Coffee Ltd. with 10% (14%); Olam (U) Ltd- 9 percent (12%); Kawacom - 6 percent (9%); Job Coffee Ltd. - 6 percent (6%); Kampala Domestic Store – 6 percent (5%); LD Commodities - 5 percent (4%); Savannah Commodities-5 percent (5%); Ibero (U) Ltd - 5 percent (9%); Armajaro Coffee Company-4 percent (2%)¹.

Out of 48 exporters who traded during the year compared with 42 in 2011/12, 10 traded in Robusta coffee only compared with 13 while 8 exported Arabica coffee only compared with 5 in the previous year.

1.3.5 Individual Coffee Buyers' Performance

Table 6 illustrates the performance of buyers of Uganda coffee during coffee year 2012/13 in terms of quantity and market share. The ten top buyers held a market share of 60% down from 67% the previous year also reflecting reduced concentration at the buyers' level. This

¹ The figures in parenthesis represent the company's market share in the previous coffee year.

could indicate stability at the buyers' level and an assurance of Uganda as a reliable origin. As in the previous year, Sucafina had the highest market share of 16% up from 14% in 2011/12 and 13% the year earlier. This was followed by Olam International with a market share of 8% compared to 11% the previous year and 8% a year earlier. Coex Coffee was third with a market share of 6% compared to 3% the previous year. Ecom Agro Industrial had a market share of close to 6% compared to 9% during the previous years. This was followed by Bernhard Rothfos with 5% market share compared to 6% last year.

1.3.6 Coffee Exports by Destination

The European Union, as in previous years, was the major export destination for Uganda coffee. Table 7 represents Uganda's coffee exports by destination during the year in terms of volume and relative market shares. Close to 2.5 million bags of coffee (or 69% of total exports) was shipped to European Union (EU) compared to 1.8 million bags (67%) last year. Coffee exported to Sudan totaled 0.45 million bags (13%) compared to 0.43 million bags (or 16%) exported the previous year 2011/12. USA was the third with a market share of 5% compared to 4% the previous year. Ecuador reduced its import market share during the year from 2% to 1%. Coffee exported to African countries totaled 625,537 bags (or 18% of total exports) compared to 491,682 bags (18%) in 2011/12. Tunisia became fourth largest destination of Uganda coffee with a market share of 4% compared to less than 1% last year. India was fifth with a market share of 3% almost similar to the previous year. Worth noting is the continued penetration of Uganda coffee in the Asian market.

Table 6: Performance of Individual Coffee Buyers Companies in CY 2012/13

Buyers	Quantity		% -age Market Share	
	60-Kilo Bags	Individual	Individual	Cumulative
Grand Total	3,582,629	100.00		-
1 Sucafina	569,669	15.90		15.90
2 Olam International	274,365	7.66		23.56
3 Coex Coffee	215,294	6.01		29.57
4 Ecom Agro Industrial	205,893	5.75		35.32
5 Bemhard.Rothfos	165,746	4.63		39.94
6 Socadec	156,545	4.37		44.31
7 Louis Dreyfus	152,724	4.26		48.57
8 Aldwami	140,944	3.93		52.51
9 Armajaro	140,054	3.91		56.42
10 Volcafe	129,510	3.61		60.03
11 Icona Café	126,340	3.53		63.56
12 Abaco International	113,034	3.16		66.71
13 Alta heel	91,154	2.54		69.26
14 Cofftea Trading	83,500	2.33		71.59
15 Strauss Commodities	75,060	2.10		73.68
16 Oct Tunis	60,926	1.70		75.38
17 Konilkij	51,070	1.43		76.81
18 Vayhani	50,850	1.42		78.23
19 Hamburg Coffee	43,458	1.21		79.44
20 Guzman Global	42,458	1.19		80.64
21 Decotrade	38,871	1.08		81.72
22 Maison Jobin	33,470	0.93		82.66
23 Gebr West	32,942	0.92		83.57
24 NKG Bero Italia	30,742	0.86		84.43
25 Falcon Commodities	28,584	0.80		85.23
26 Luigi Lavazza	28,088	0.78		86.01
27 World Botanical	24,196	0.68		86.69
28 Africa Tea and Coffee	23,341	0.65		87.34
29 Bercher Coffee Consulting	22,791	0.64		87.98
30 Coffee Services	21,936	0.61		88.59
31 Others	408,780	11.41		100.00

Table 7: Main Destinations of Uganda Coffee in CY 2012/13

	Destination	Quantity in 60-Kilo bags			% -age Market Share	
		Robusta	Arabica	Total	Individual	Cumulative
	Grand Total	2,781,478	801,151	3,582,629	100.00	-
1	EU ²	1,865,422	603,468	2,468,890	68.91	68.91
2	Sudan	430,253	23,754	454,007	12.67	81.59
3	USA	117,059	78,502	195,561	5.46	87.04
4	Tunisia	101,304	24,510	125,814	3.51	90.56
5	India	75,910	14,170	90,080	2.51	93.07
6	Ecuador	43,452	600	44,052	1.23	94.30
7	Morocco	33,858	2,254	36,112	1.01	95.31
8	Switzerland	19,929	13,974	33,903	0.95	96.25
9	Singapore	21,361	2,880	24,241	0.68	96.93
10	Russia	18,858	3,290	22,148	0.62	97.55
11	Japan	15,450	3,680	19,130	0.53	98.08
12	S. Korea	988	17,130	18,118	0.51	98.59
13	Israel	12,538	320	12,858	0.36	98.95
14	South Africa	2,750	2,860	5,610	0.16	99.10
16	Australia	2,240	2,890	5,130	0.14	99.25
17	China	3,930	780	4,710	0.13	99.38
18	New Zealand	2,440	640	3,080	0.09	99.46
19	Algeria	2,280		2,280	0.06	99.53
20	Middle East	2,240		2,240	0.06	99.59
21	Ukraine	1,134	1,020	2,154	0.06	99.65

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

22	Canada	960	510	1,470	0.04	99.69
23	Kenya	670	694	1,364	0.04	99.73
24	Taiwan	1,340		1,340	0.04	99.77
25	Saudi Arabia	1,330		1,330	0.04	99.80
26	Syria		1,280	1,280	0.04	99.84
27	United Arab Emirates	300	837	1,137	0.03	99.87
28	Vietnam	960		960	0.03	99.90
29	Asia	668		668	0.02	99.92
30	Lebanon	210	435	645	0.02	99.94
31	Jordan	640		640	0.02	99.95
32	Bahrain		353	353	0.01	99.96
33	Senegal	350		350	0.01	99.97
34	Albania	334		334	0.01	99.98
35	Croatia	320		320	0.01	99.99
36	Hong Kong		320	320	0.01	100.00

1.4 Internal Marketing

1.4.1 Registered Post-harvest Industry Players

A total of 495 post-harvest industry players were registered in the Coffee Year compared to 394 in the previous year (table 8). This included 54 exporters, 32 export grading plants, 395 hulleries and 14 roasters.

Table 8: Registered Post-Harvest Industry Players in CY 2012/13

Industry Players	2012/13	2011/12	2010/11	2009/10	2008/09
Exporters	54	42	40	42	39
Export grading plants	32	30	32	19	19
Hulleries	395	308	327	300	301
Roasters	14	14	8	8	7
Total	495	394	407	369	366

1.4.2 Price Movements

The farm-gate prices for Kiboko (dry Robusta cherries) Coffee averaged Shs. 2,050 per kilo slightly higher than Shs. 1,840 a kilo the previous year (table 1.9). Clean coffee of Fair Average Quality averaged Shs. 4,100 per kilo up from Shs 3,940/= the previous year. As for Arabica parchment, there was a decline of Sh. 1,670 from an average of Shs. 5,970 per kilo last year to Shs. 4,300 in coffee year 2012/13 (table 9). Unlike the previous year, monthly average prices for Arabica parchment ranged from Shs. 4,000-4,700 per kilo during the year. Just like the previous year, the highest price for Robusta Kiboko (dry unprocessed) was Shs. 2,250 per kilo in November, March and May while the lowest price was Shs. 1,800 in January 2013.

The market share of Ugandan coffee by continent was dominated by Europe, followed by Africa, USA, North America, Asia, Latin America and Australia. Figure 4 illustrates the market share of importers of Uganda coffee by continent in terms of number of bags and percentages. In spite of economic meltdown in Europe, it continues to dominate Uganda's coffee exports.

Figure 4: Export Destinations by Region in 60 Kilo Bags CY 2012/13

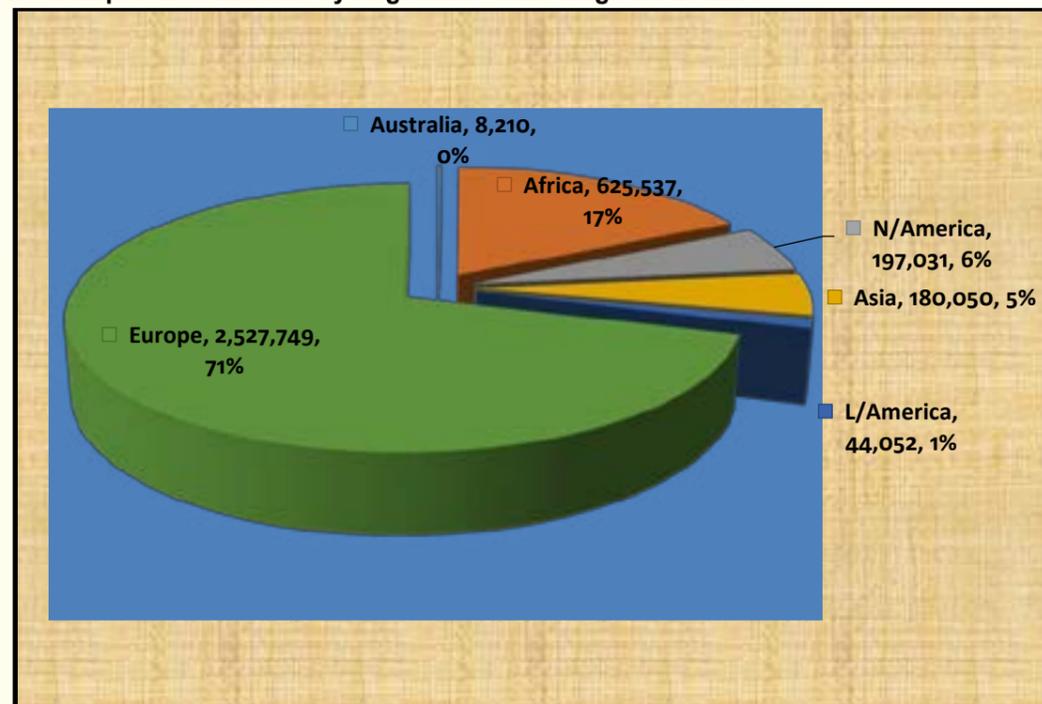


Table 9: Realized Monthly Farm-Gate Prices UGX/Kilo

2012/13	Robusta		Arabica
	Kiboko	FAQ	Parchment
Oct – 2012	2,150	4,200	4,400
Nov	2,250	4,250	4,400
Dec	2,100	4,150	4,750
Jan – 2013	1,800	4,100	4,500
Feb	2,000	4,300	4,300
Mar	2,250	4,450	4,250
Apr	2,230	4,400	4,300
May – 2013	2,250	4,150	4,400
Jun	1,900	4,000	4,400
Jul	1,900	3,850	4,250
Aug	1,900	3,800	4,000
Sep – 2013	1,900	3,800	4,000
Average	2,050	4,100	4,300

Unlike in Coffee Year 2011/12 when Arabica prices plummeted, throughout the coffee year 2012/13 farm gate prices hovered in a tight range for both Robusta and Arabica. Narrowing of prices between Robusta (FAQ) and Arabica parchment was observed as illustrated in figure 5. The relatively stable farm gate prices could be attributed to ample supply in importing countries as well as stiff internal competition among exporters as they strive to meet their contractual obligations with their buyers. The narrowing differential between Robusta and Arabica prices may pose a risk as buyers may opt for high quality Arabica coffee in preference to Robusta.

Total global coffee production for year 2012/13 increased by 9.7% to 145.5 million bags compared to 132.3 million bags in the previous year. Production in Africa increased by 16% from 15.7m bags in 2011/12 s to 16.7m in 2012/13. This represents 11.5% of the total world production.

The total volume of exports for the coffee year reached a total record of 111.1m bags, an increase of 3.2% from the previous year. More significant increases in exports were in Arabicas relative to the Robustas. Despite the higher export volume realized during the year, the corresponding value estimated at US\$ 19bn was an 18% decrease over the previous year.

World consumption continued to realize an upward trend reaching 142m bags in the calendar year 2012. This growth is attributed to increased consumption in exporting countries and emerging markets.

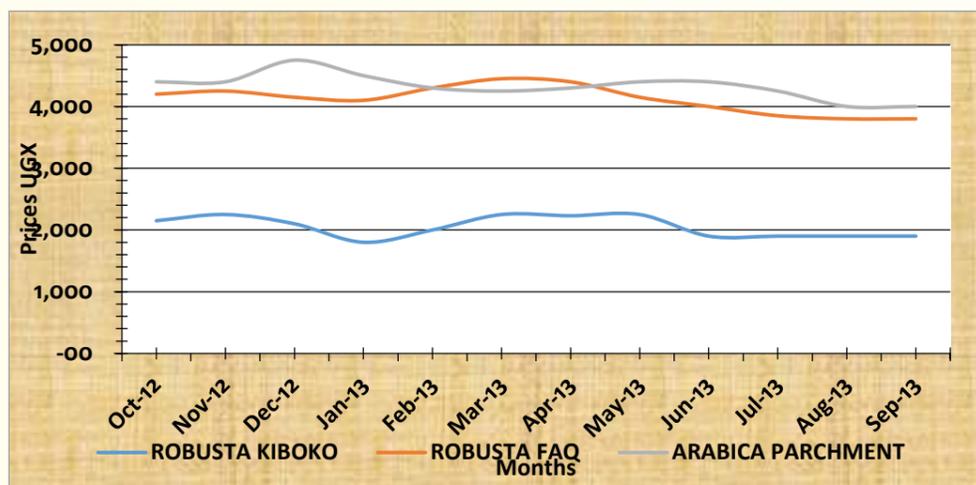
1.5 Global Outlook

Coffee prices in 2013/14 are envisaged to be lower due to ease in supply tightness as a good crop is expected from Brazil being an on-year in the biennial cycle characteristic of Arabica production. Nonetheless, global prices will depend, to a greater extent, on the weather in major coffee growing countries such as Brazil, Vietnam, Colombia and Indonesia.

Global production for 2013/14 is estimated at 145.7 million bags compared to 145.1 million bags in 2012/13. This represents an increase of 0.4%. The global supply is likely to impact negatively on global prices unless counteracted by a buoyant consumption growth or any other supply shock in major origins.

Brazil’s coffee production for 2013/14 is estimated at 50.3 million bags while Vietnam’s crop is estimated between 25-28 million bags according to various sources compared to 26.5 million bags in 2012/13. Indonesia’s production is estimated at 9.5 million bags. Colombian production is expected to recover to 10 million bags in 2013/14. Central America is still hit by the Coffee Leaf Rust and its production is not likely to recover in the coming year. It is estimated at 16.9 million bags due to lower yields caused by the coffee leaf rust. India’s production is estimated at 5.1 million bags.

Figure 5: Monthly Average Farm-Gate Prices Trends by Coffee Type in CY 2012/13



2.0 Introduction

During the year, the programs of quality improvement and assurance, training and skills development, generic promotion, promotion of domestic coffee consumption and value addition were implemented.

Under quality improvement program, the quality of coffee in the field was evaluated in terms of out-turn; moisture content and screen size distribution were applied for quality evaluation. The quality of both Arabica and Robusta coffee at the primary processing level improved especially in moisture and bean size compared to the previous coffee year.

764 FAQ coffee samples (599 Robusta, 141 Drugar and 24 Wugar) were analyzed at exporter level using the grading certificate form 5. This high performance was achieved through increased inspection of FAQ deliveries at exporter level.

Evaluation of the coffees in the field reflected an improvement in out-turn and moisture content. The average out turn and moisture content were maintained above 65% and below the 14% limit respectively for both Arabica and Robusta.

A total of 3,288 industry players across the value chain were trained 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.

Under quality assurance, an improvement in the cup quality was registered reflecting an improvement in handling practices along the value chain.

On promotion of domestic coffee consumption, UCDA participated in 13 local trade fairs and exhibitions to showcase Uganda coffee. UCDA supported formation of university coffee clubs to attract the youth to participate in coffee activities such as barista championships and enhance coffee consumption.

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

2.1 Quality Improvement

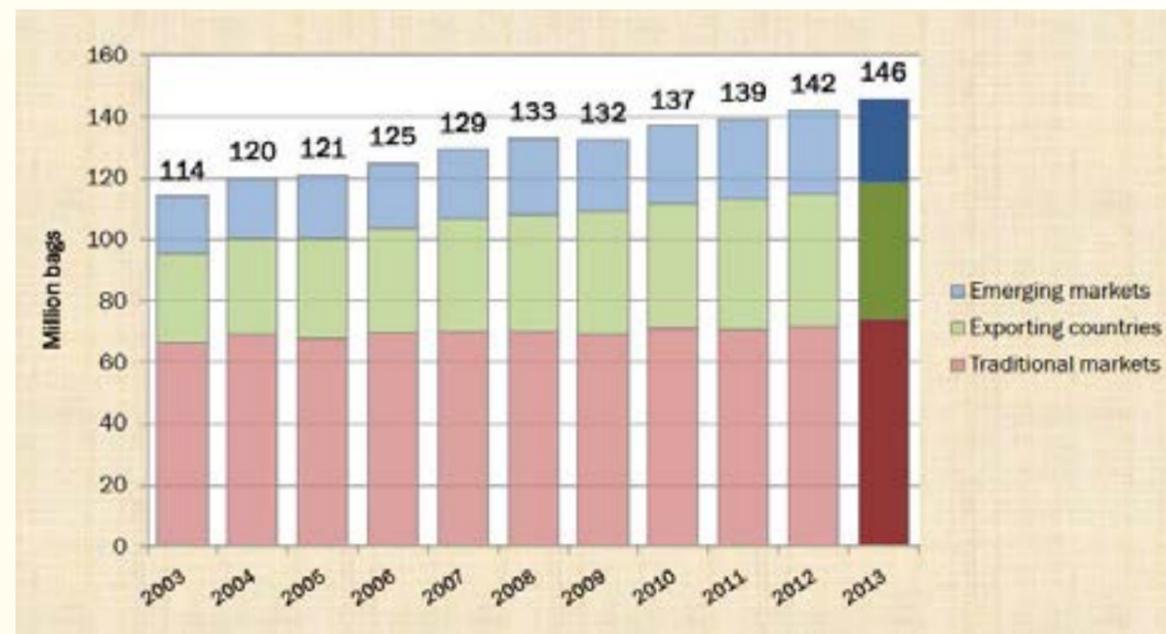
UCDA trained 1,954 farmers, traders and processors on coffee standards as per regulations, good harvest and post-harvest practices. 11 sensitization meetings on coffee regulations and Post-Harvest Practices were held in Kasese, Mbale, Kanungu, Ntungamo, Rukungiri, Bushenyi, Masaka, Iganga, Mbale for farmer groups, traders, exporters, Local government officials, NAADS officials and Regional Coffee Extension officers.

The economic meltdown in the Euro zone, the main destination of Uganda coffee, may affect the demand for Uganda coffee. Global prices are also likely to be low due to adequate inventories in importing countries on account of higher exports in coffee years 2010/11 and 2011/12.

Global opening stocks for 2013/14 are estimated at 21.4 million bags in producing countries and were 21.6 million bags in importing countries as at end of June 2013.

Nonetheless, a buoyant growth in global consumption estimated at 146 million bags in calendar year 2012 growing at 2.1% per year may counteract the bearish outlook at the beginning of the new coffee year 2013/14. Figure 6 shows a positive trend in global coffee consumption from 113 million bags in 2003 to 146 million bags in 2013.

Figure 6: World Coffee Consumption 2003-2013



Source: ICO

Evaluated 272 samples (204 Robusta and 69 Arabica) and the results were as reflected in the table below:

Table 10: Evaluation Results of Coffee Samples by Quality Parameter

PARAMETER	ROBUSTA	DRUGAR	WUGAR
Moisture Content	13.4%	12.8%	12.5%
>Screen 15	75.2%		
>Screen 16		72.9%	81.7%
Out Turn	85.3%	83.3%	80.5%
Defects	14.7%	16.7%	19.6%

The above results reflect an improvement in out-turn and moisture content. The average out turn and moisture content were maintained above 72 % and below the 14% limit respectively for both Arabica and Robusta.

UCDA licensed 54 exporters, 395 primary processors, and 14 roasters under the program of inspection and registration of all players at post-harvest level. 44 exporters were for renewals while ten new operators joined the trade namely: El Cafino, Besmark Coffee Co. Ltd, Ishaka Quality Commodities, Ideal Commodities, Seab Global Traders, Karazi Coffee Factory Ltd, Shiba World Investments, Gerious Ltd, Tradeco Africa Ltd and Crown Coffee Ltd.

In a bid to enforce Coffee Regulations, UCDA carried out five task forces in all regions. Twenty Four (24) primary processing factories were penalized due to malpractices and non-conformance to the Coffee Regulations. These were located in Kasese, Rukungiri and Bushenyi. As a result of this, Good Practices and compliance to Coffee Regulations improved and was evident in the results of the analysis.

Twelve (12) Coffee Quality evaluation reports with information on coffee quality across the value chain were disseminated to stakeholders.

The Robusta Centre of Excellence Project was approved and attracted co-funding from aBi-Trust.

2.2. Quality Assurance

2.2.1 Cup Performance

The average cup quality improved in 2012/13 to 98.2% compared to 96.1% in the previous year. There was an improvement in the cup quality of washed Robusta coffee to 98.3% from 98.1% in the previous year. The cup was well above the average for Natural Robusta (96.9%).

Post-harvest handling methods continue to pose a challenge, especially in dry processed coffee.

The organic coffees, Okoro Arabica (98.3%) and Robusta (100%) improved in cup quality compared to 2011/12. Organic Bugisu Arabica maintained 100% clean cup quality. This is attributed to increased capacity in wet processing in Arabica areas.

The Bugisu Arabica continues to show a high percentage of clean cups of an average 99.0%. Bugisu AB scored the least (98.4%) while Bugisu AA scored the highest (99.6%) followed by Bugisu A at 99.1% and Wugar at 99.0%. The cup quality of Natural Arabica, Drugar, was 98.0% compared to 95.0% in 2011/12. This was attributed to general improvement in post-harvest handling practices within the entire value chain. Table 11 below gives the percentage of clean cups for each type of coffee and grade.

Table 11: Comparative Percentage of Clean Cups 2008/09-2012/13

TYPE	GRADE	2012/13	2011/12	2010/11	2009/10	2008/09
Bugisu Arabica	AA	99.6	99.2	100	100	99.6
	A	99.1	97.1	98.3	98.4	100.0
	AB	98.4	96.3	96.9	96.8	99.0
	PB	98.9	94.7	96.0	95.6	94.5
	B	-	-	-	-	-
Other Arabica	Wugar	99.0	96.5	100	100	99.4
	Drugar	98.0	95.0	95.4	95.1	98.1
Natural Robusta	Sc 18	98.1	95.2	95.9	95.7	94.8
	Sc 17	97.2	95.7	96.7	96.5	96.2
	Sc 15	96.9	95.7	98.5	98.2	95.6
	Sc 14	96.7	93.2	95.4	90.3	96.6
	Sc 13	96.2	95.5	94.3	94.1	95.6
	Sc 12	96.0	95.2	97.5	97.4	95.8
Washed Robusta	Washed Robusta	98.6	98.1	98.3	97.9	93.0
Organic Coffee	Bugisu Arabica	100	100	100	100	97.6
	Okoro Arabica	98.3	94.8	100	100	-
	Robusta	100	95.1	100	100	100.0
Annual Average		98.2	96.1	97.7	97.3	97.1

2.2.2 Coffee Referred For Reprocessing

In the year 2012/13, 33,579 bags were referred for reprocessing compared to 56,347 bags (2011/12). The highest quantity of coffee referred was due to low screen retention (54.1%) which affected Screens 18, 17 & 15.

Table 12: Coffee Rejection 60 Kilo Bags 2008/09-2012/13

DEFECTS	2008/9	2009/10	2010/11	2011/12	2012/13	Percentage Defects (2012/13)
1.Wetness	10,366	13,962	4,268	9,016	9,369	27.9
2.Discoloured/Blacks	7,646	3,070	3,500	7,607	4,201	12.5
3. Poor Retention	22,163	10,318	16,617	31,498	18,166	54.1
4.Floats/BHP	-	2,052	1,582	3,775	1,200	3.6
5. Pods	1,308	2,709	1,503	2,761	450	1.3
6. Extraneous matter	920	1,234	984	1,690	193	0.6
TOTAL	42,403	33,345	28,454	56,347	33,579	100

2.3. Training and Competitions

In 2012/13, a total of 139 participants were trained in defects' identification, moisture determination, roasting profiles and techniques, flavor profiles, and liquoring. These consisted of 23 participants from the coffee industry, 17 from tertiary institutions and 99 field based quality controllers from Kasese, Mbale, Bushenyi, Ishaka, and Masaka.

In an effort to increase value addition and promotion of domestic coffee consumption, 39 Roaster and brewers were trained in Good Hygiene Practices, roasting and cupping.

13 barista judges were calibrated by a team of judges led by the international trainer, Mr. Mark Pierre. Two Barista judges were also trained in Italy and Singapore to enhance the capacity to train and judge at local and international Barista events.

A total of 74 baristas (54 beginners and 20 practicing baristas) participated in the 6th Uganda National Barista Championship. The winner and the runner up were Mr. Godfrey Batte from Africa Coffee Academy and Mr. Mark Okuta of Royal Suites respectively.



Coffee bazaar at Mitchell Hall (MUK)



Coffee promotion by Makerere University Coffee Club

University barista competitions were held under the flagship of Inter-University barista championship aimed at interesting the youth in coffee activities. 46 participants were trained out of which, 12 participated in the 3rd Inter-University Barista Championship held at Makerere University.

The first ever Uganda National Cup-Tasters Competition (UNCC) was held at the Serena Kampala hotel with 18 participants where the winner was Mrs. Ritah Kyamuhangire of UCDA. The first and second runners up were Ms. Faith Asaaji of Good African Coffee and Mr. Emma

Tumwesigye of LD Commodities Ltd respectively. The champion represented Uganda at the SCAE World 2013 cupper's championships and emerged 14th out of 36 participants in Nice, France.

The 2nd essay and quiz competitions were conducted attracting 57 participants from universities. The topic was "The role of the youth in the coffee value chain". The winning essays were displayed on the website for reference.

The R-Grading Certification trainings attracted 20 participants out of which, 12 were certified as Star cuppers. One Arabica assistant instructors' certification course was held in January 2013 and attracted participants from the industry and other countries (Tanzania, Malawi, Kenya, Ethiopia, and Burundi). 10 participants were certified as Q-Assistant Instructors.



Assistant Instructors participants tasting coffee

One quality controller was attached to Bernhard Rothfos, a coffee buyer in Hamburg-Germany and was trained in international trade techniques. The officer was equipped with knowledge on, Price/ Quality relationship, Price/ Risk management, roasting techniques, warehousing procedures and emerging market trends.

2.4 Generic promotion, Value addition and Promotion of Domestic Coffee Consumption

2.4.1. Promotion of Domestic Coffee Consumption

Ugandan Coffee was showcased in local trade fairs and exhibitions that included the Uganda Manufacturers Association International trade show, World Food Day fair in Mbarara, Golden Jubilee independence show, Buganda cultural show at Bulange, Mengo, Car boot sale organized by All Saints Church, Nakasero at Kololo airstrip and regional trade fairs; monthly corporate league events held at Kyadondo Rugby club; Jinja Agricultural Trade show and six regional coffee shows in Ntungamo, Sironko, Manafwa, Kamwenge, Kabarole and Kibaale, under the Coffee Production Campaign. In these exhibitions, coffee bazaars were operated and literature containing UCDA's mandate and benefits of coffee drinking were distributed. Local roasters were provided with exhibition space for display of their finished products. These exhibitions promoted coffee to local consumers.

UCDA recognized four best performers in the sub-sector who included, Star Café for market penetration, Café Pap for serving high quality coffee, Ankole Coffee Producers Cooperative for exporting high quality coffee, and 1000 Cups for promoting coffee and tourism. This initiative is geared towards promoting a culture of excellence in the coffee industry.

Four consumption promotions code named "Coffee on The Road" were held in Lira, Gulu, Rukungiri, and Kabale. The coffee shows attracted 1,570 attendees in total who were sensitized on the health benefits of coffee consumption. The interest in coffee consumption was recorded exhibited by the big numbers of attendees trying out coffee.

Presentations on Coffee and health benefits were made with expert facilitation by Dr. David Nini, a consultant with Strauss, Israel. In addition to that, a coffee and health talk show was broadcast on NTV and the expert handled questions related to coffee and health. The highlighted benefits included mitigation of Parkinson's disease, diabetes, liver cirrhosis, Alzheimer's disease to mention but a few. It was elaborated that coffee contains high levels of anti-oxidants which help the body to remain healthy. The stakeholders including medical practitioners, roasters, baristas, café operators, hoteliers and the press attended the presentation.

As part of the strategy to promote coffee consumption among the youth, two Coffee clubs were formed at Gulu and Mbarara Universities and UCDA participated in Coffee bazaars at Kampala International University (KIU), Kyambogo University (KYU) and Makerere University (MUK).

2.4.2. Generic promotion of Uganda Coffee in the International Markets

UCDA continued to showcase Uganda coffee in international fairs. Coffee was exhibited at the 26th Specialty Coffee Association of America (SCAA) exposition in Boston, USA, which attracted 700 delegates. Ugandan coffee exports to USA were 187,929 bags an increase of 13.6% compared to CY 2010/11(162,350 bags). Six cupping sessions 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. The contacts of interested buyers and importers were collected and given to stakeholders.

UCDA continued to promote coffee in the Specialty Coffee Association of Japan (SCAJ) in Tokyo, Japan and the 10th African Fine Coffees Conference and Exhibition in Kampala, Uganda. The awareness about Uganda coffee in Japan and the Far East increased.

The Managing Director of UCDA was awarded a lifetime Quality award by Coffee Quality Institute for his work in supporting coffee science and quality improvement during the SCAA. This was the 13th Award and was 1st to Africa.



UCDA Managing Director with the Lifetime Quality award



UCDA Booth at SCAA Exhibition in Boston USA



Coffee Cupping at SCAA – Boston USA

UCDA's joint venture in China promoted coffee at the 112th and 113th Canton Fairs, Guangzhou Consulates Fair, Guangzhou Expo and Coffee Boutique, Guangzhou Food Expo, Lingnan Educational Centre. The Beijing Chenao Coffee Co. Ltd (BCCCL) developed a Uganda documentary showing physical features, the Uganda coffee Industry and cafes that promote Uganda coffee in China.

The exports to China, Russia and Far East were 87,627 bags compared to 58,899 bags 2011/12. The exports to this region are expected to continue increasing mainly due to the promotional efforts of the promotional centre in Guangzhou.

Coffee exports to the Arab world were 621,312 bags claiming a market share of 17.3% of total exports. This has been as a result of coffee promotions in this region.

2.4.3 Barista Championships

UCDA hosted the 6th Uganda National Barista Championship, which was presided over by the international judge Mr. Jay Caragay (USA) at the Imperial Royale Hotel, Kampala. The winner was Godfrey Batte from Africa Coffee Academy. He represented Uganda at the 4th Africa Barista Championship (ABC) in Kampala, Uganda. Uganda was the second to South Africa. At the 14th World Barista Championship (WBC) in Melbourne, Australia in 2013 Uganda was the 42nd out of 47 competitors.

The Ugandan Barista Champion competed at the 2nd Fushan Cup Barista championship, Hainan City, South China and emerged 12th with 428 points.

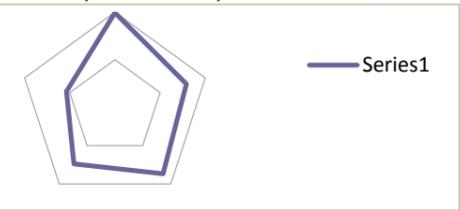
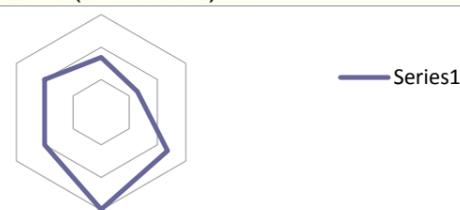
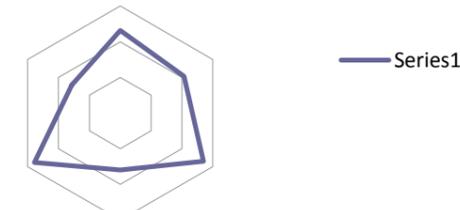
2.4.4 Development of protocols for the Fine Robusta Coffees for the specialty market

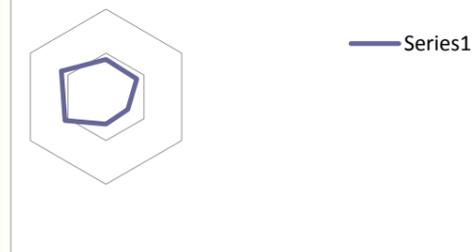
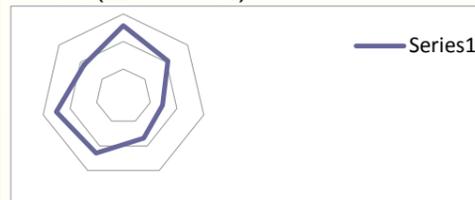
Workshops were undertaken to train in Robusta Fine coffee grading techniques and validate the R&Q protocols. 12 participants were trained as R-Instructors and 2 as Q-Assistant Instructors. Two qualified Ugandan trainers, Doreen Rweihangwe and Emmanuel Tumwesigye facilitated the Q-Graders training programme in Blantyre, Malawi. Facilitating in these trainings will enhance the process of developing Uganda as Centre of Robusta Excellence

2.4.5 Development of a Uganda Specialty Coffee Profile

In order to promote Uganda coffee by origin, a coffee profiling program was conducted which involved the mapping out coffee production areas and describing their distinctive characteristics according to altitude, rainfall and soil type continued. In this program, 120 samples (53 Arabica and 45 Robusta) were drawn from Mt Elgon area; Kasese, Kisoro, Masaka and Kamuli were analyzed. The provisional cup analysis results were as follows:

Table 13: Summary of Distinctive Characteristics of Uganda Coffee

Location	Type/Variety	Processing method	Analysis results
Kasese 0°11'12.0"N, 30°05'17.0"E 3000ft (1000MASL) 	Arabica/SL14	Natural	Strong fragrance, medium acidity, body and flavour dominated by caramel, chocolate, peanut and fruity notes
Kisoro 1°17'06.0"S, 29°41'06.0"E 6200ft(1890MASL) 	Arabica	Washed	Balanced with medium acidity, body and flavour with complex notes. Dominated by chocolate, caramel, citrus, nutty, dried fruits and vegetable notes.
Kapchorwa 1°24'00.0"N, 34°27'00.0E 5900ft (1800MASL) 	Arabica	Washed	Strong Fragrance with High acidity, Light body and fair complex flavour with citrus, caramel chocolate, spicy, nutty, resinous, tropical fruit notes and a smooth fading aftertaste.
Masaka 00°20'24"S, 31°44'24"E 3900ft (1200MASL)	Robusta	Natural	Balanced with creamy mouth feel, strong fragrance, medium flavour dominated by caramel, chocolate, fruity and herbal notes with a fading

			aftertaste.
Kamuli 00°56'42"N, 33°07'30"E 3600ft (1100 MASL) 	Robusta	Natural	Medium Fragrance, mouth-feel and flavour with pronounced caramel and chocolate, nutty, herbal and spicy notes.

The profiling project has developed four regional profiles and will further refine the descriptors to identify the unique coffee flavors from various regions. The results presented above are provisional and will be confirmed at the end of the project.

UCDA hosted the National Taste of Harvest (NTOH) competition where Robusta and Arabica samples were evaluated using the Specialty Coffee Association of America scale. Mt. Elgon Arabica has continued to excel with Kabum Specialty Coffee from Chebonet group scoring 85.29% followed by Sipi organic presented by Kawacom Ltd, UTZ and RFA certified (84.96%) and Mt. Elgon A –Kyagalanyi (84.43%). The coffee from Mt. Elgon is grown at an elevation of 1600-1900 meters above sea level (MASL) an altitude suitable for growing specialty Arabica coffee.

The winning Robusta coffee was from Masaka (elevation -1200 MASL) presented by Ugacof scored 82.94% and the runner up was Washed Robusta from Iganga (elevation 1120MASL) - Ugacof (82.41%). The coffee grown at higher elevations exhibits unique qualities because of low temperatures that encourage the formation of dense beans.

3.0 Introduction

UCDA, in collaboration with other stakeholders, have continued to sustain implementation of the Coffee Production Campaign Initiatives. Successes so far attained continue to be consolidated in the UCDA Production programmes, and are tailored at achieving the production target of 4.5 million bags by 2018.

These programmes are aimed at increasing coffee production through generation of clean planting material and promotion of the re-planting programme. These programmes include;

- Promotion of generation and production of clean planting materials through tissue culture, seed sourcing, and support to Clonal propagation of the Coffee Wilt Disease Resistant lines for mass multiplication and distribution to farmers.
- Promotion of coffee replanting through support to community based and private commercial nurseries; and direct provision of seedlings to various farmer groups and special interest groups.
- Coffee Rehabilitation through improvement of yield of the old coffee trees by supporting specific lead farmers with demonstrations at various community locations for purposes of training; and direct support to willing farmers in rehabilitation through pruning, stumping and soil amelioration.
- Promotion of 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 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.
- Promotion of collaborative participatory coffee extension with other stakeholders.
- Promotion of technical extension services in an effort to improve quality at post-harvest and ensure enforcement of the coffee regulations.
- Strengthening the functions and visibility of the Regional offices so as to provide better service to the Coffee stakeholders.
- Coordination and implementation of key activities under the coffee production campaign together with other stakeholders.

3.1 Promotion of Planting Material Production

Under this programme, the objective is to create a sustained demand driven initiative in production of coffee seedlings, both using elite seed and vegetative cuttings. This 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;

- Distributed 19,500 Kgs of Elite Robusta and Arabica seed to community based nursery groups through Field Officers, Local leaders, Political leaders, organized farmer Associations and Exporter based farmer Groups. This raised 39 million seedlings.



Community Based Nursery in Kibaale District

- Through partnership with Hima Cement, 1,000Kgs of Arabica and 500 Kgs of Robusta seed were distributed to farmers in Kasese and Kamwenge Districts respectively generating 3 million seedlings for planting by the communities.
- In addition to multiplication of the CWD – Resistant lines at the Coffee Research centre, 35 Nursery operators were allocated 12,250 plantlets to establish mother gardens for subsequent generation of clones for expansion of the mother gardens. This brings the cumulative number of nursery operators to 80, with a total of 35,100 mother bushes established.
- Tissue Culture - with release of 7 new lines resistant to CWD, services were procured from the Private sector (AGT) for generation plantlets by Tissue culture. 50,200 plantlets were delivered for weaning and hardening. In addition, continued support was given to COREC to generate additional 18,259 plantlets, at the tissue culture laboratory at Kawanda.
- Buginyanya (Sironko District) and Zombo (Zombo District) Arabica seed gardens were supported to ensure sustainable source of clean and certified seed. These sites were able to generate 2,680 Kgs of seed.

- To ensure sustainability of re-planting programme, in the new coffee growing areas, especially in Northern and North eastern Uganda, support was provided to the seed gardens at Ngetta ZARDI (Lira District) and Serere ZARDI (Serere District). Ngetta ZARDI produced 600 Kgs of Elite Robusta seed. Serere ZARDI is yet to come into production.

3.2 Management of Diseases and Pests

Although, there is a general widespread of disease and pest attack, the spread of the Black Twig Borer in Robusta areas was a major challenge.

Several interventions were put in place to address some of these attacks from; Black Twig Borer, Coffee Leaf Rust, Caterpillars, Stem Borers, Coffee Berry Borer and Red Blister Disease. This included:

- Recruited 8 District Coffee Extension Officers for diseases and pest management, especially the Black Twig Borer.
- 34 Sensitization seminars, workshops and training on Black Twig Borer in 34 districts.
- Aired 48 Radio programmes to create awareness, in addition to, posters/flyers. There is a widespread awareness of BCTB by farmers and local leaders.
- Delivered 3,260 litres of chemical (*Orthene – Imodacropid*) and 180 kits for spraying against Black Twig Borer. 4,121 acres of coffee sprayed benefitting 2,367 Households.
- Established 34 demonstration sites to act as training centers for farmers especially on the management of the Black Twig Borer. A total of 34 gangs of 10 members each were trained on good spraying practices.
- Provided additional support to Coffee Research to continue with surveillance and characterization of the Black Twig Borer. Some of the findings indicated that various shade trees (*Albizia chinensis*) are alternate hosts for Black Twig Borer.

3.3 Promotion of Coffee Replanting

To ensure increase in coffee production, communities were mobilized for sustainable coffee planting. This involved planting seedlings that were raised under the community based nurseries, private commercial nursery initiatives and seedlings procured and supplied by UCDA and other institutions under various arrangements. The beneficiaries of these activities were; individual farmers, farmer groups, commercial farmers, exporter based farmer groups and farmers supported under various projects. The following were achieved;

- Planted a total of 17.39 million seedlings under various initiatives, and benefiting a total of 104,890 households;
 - UCDA support to farmer groups, individual farmers and special interest groups – 6.46 million seedlings.

- Seedlings raised under the demand driven Community based nursery initiative and planted by members of the nurseries and other interest farmers groups – 3.322 million Seedlings.
- Collaboration with Civilian Veterans in the Luwero-Rwenzori zone a total of 5.0 million seedlings were planted
- NAADS, Local Governments - 3 million seedlings
- Non-Governmental Organizations, Community based Organizations – 0.438 million seedlings
- Commercial farmers – 0.37 million seedlings

3.4 Coffee Rehabilitation

The objective of undertaking coffee rehabilitation was to improve coffee yield per tree from 0.5 kg to at least 1.0 kg of clean coffee. This is because most of the coffee trees are relatively old, and their productivity has greatly diminished. The initiative was to create awareness amongst farmers through, demonstrations, training and sensitization to stump and prune the old coffee trees, in addition to good agricultural practices and appropriate soil and water management practices.

- Rehabilitated 895 acres of coffee plantations by farmers through allocation of pruning kits to 80 farmer groups for community pruning. This was in recognition of the overgrown nature of the coffee and shade trees, and to speed up the process of stumping and pruning. Support was also given in provision of fuel and servicing of the pruning kits.



Good yields from Mbale District

- Held Farmer competitions in 25 districts, involving 1,250 farmers. The Competitions were initiated to speed up and encourage farmers to rehabilitate their coffee. The competitions were based on adoption and implementation of Good Agricultural

practices. The best 10 performing farmers per district were rewarded with various items (hand pulpers, tarpaulins, drying trays, solar panels).

- 70 farms were supported to act as demonstrations on sustainable soil management practices. This included establishment of tree nurseries, sensitization and training for farmers. Farmers were encouraged to use these sites as learning centers for adaptation to challenges related to climate.
- Supported 40 farmers with domestic water harvesting equipment (40 water tanks). This was to ensure available water for coffee and domestic use, besides acting as demonstrations to other farmers.

3.5 Support to Coffee Development in Northern Uganda

UCDA continued to implement a strategy of promoting commercial coffee production in the nontraditional coffee areas, (New Coffee Areas). These areas amongst others included; Mid-Northern Uganda districts of Apac, Kole, Gulu, Kitgum, Lira, Pader, Oyam, Amolatar, Dokolo, Nwoya, Alebtong, Lamwo and Amuru.

The major goal was 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. It was envisaged that such an approach would provide a fallback position for coffee amidst Coffee Wilt Disease attacks in traditional coffee areas. To date 9.324 million seedlings have been planted benefiting 16, 283 Households.

The main objectives of the intervention were;

- Support adoption of production of coffee as a perennial cash crop grown on commercial basis in the Mid-Northern Uganda districts of Apac, Kole, Gulu, Kitgum, Lira, Pader, Oyam, Amolatar, Dokolo, Nwoya, Alebtong, Lamwo and Amuru.
- incorporate coffee/banana and cover crops farming in the existing farming system

The following activities were achieved during the year:

- Held 6 sensitization workshops and seminars for local leadership and other stakeholders to popularize coffee growing. A number of households have adopted coffee as a perennial crop.
- Two farmers groups from Acholi and Lango sub Regions undertook field tour of Western Uganda (Mityana, Mubende and Bushenyi). The objective was to create more effective awareness and knowledge in coffee value chain activities amongst their counter- parts in traditional coffee growing areas.
- Aired 15 radio sessions of 360 minutes on radios in the region. The messages address all activities along the coffee value chain.
- Formed 14 farmer groups and 2 associations. 7 – one day Workshops were organized to improve farmer group knowledge in managing groups and associations.

- Formed 150 community based nurseries and 128 were registered, with capacity of producing 20,000 seedlings. The seedlings' survival rates improved to over 85%, except in cases of prolonged dry spell.
- Of the 2.3 million seedlings raised by community based nurseries, a total of 1.929 million coffee and 0.645 million shade trees were planted, benefitting 4,840 households.
- Facilitated 37 Farmer Field School (FFS) sessions for 652 participants.
- Ngetta seed garden was supported, and in addition 5 private seed suppliers were supported with seed processing equipment. Lututur prison farm was supported with 30 Kgs of Arabica seed, raising 60,000 seedlings.
- Established 20 technology development sites to act as training and demonstration sites on new technologies. These sites were also used as multiplication fields for banana suckers distributed to farmers for intercropping with coffee. 6,800 banana suckers distributed benefitting 132 households. This together with cover crops provides early incomes to coffee farmers besides catering for food security.
- Conducted 3 workshops on Processing and market development. Besides, distributed 30 coffee drying trays, 272 tarpaulins to 45 farmer groups as a drive to improve quality at post-harvest.
- Sold 138.71MT of *Kiboko* by farmers at average prices of shs 2000 – 2,200/Kg). There was an increase in the number of local buyers.

3.6 Promotion of Sustainable Coffee Production Initiatives

As part of our strategy to improve value addition at farm level and support penetration to niche and specialty markets, support was given to farmer groups and/or organizations that are promoting sustainable coffee. This programme has achieved results mainly in the Arabica growing areas with several farmer groups involved in certification programmes (Gumutindo, Kawacom – Mt. Elgon; NIHACOFA – Zombo; Bukhonzo Joint – Rwenzori) The following were achieved under this initiative;

- Trained 10 Farmer groups on Organic and Fairtrade production practices in Kapchorwa, Kween, Sironko, Zombo, Kasese Bushenyi, Ibanda, Bulambuli, Kisoro and Nebbi districts. The training covered all aspects in sustainable coffee production systems.
- Supported 2 farmer group from Kabonera in Masaka district, with 4C Verification; and Kibinge in Bukomansimbi district in preparation for Utz Certification.
- The Memorandum of Understanding with the University of Florida was extended for 5 years. This shall allow further collaboration in soil analysis and other aspects on procedures under the NOP (USA) that shall allow export of organic coffee into the US market. Soil samples were collected from all Regions and are for analysis at the University of Florida.
- 230,000 coffee seedlings were given for planting by farmers under NIHACOFA and Ankole Processors.

- UCDA paid costs for Gumutindo Farmers' Co-operative (Mt. Elgon) for Eco-cert Certification.

3.7 Farmer Training and Extension Liaison

In collaboration with other stakeholders (National Agricultural Advisory Delivery Services (NAADS), Local Governments, and Civil Society Organizations (CSOs), regular trainings were carried out to improve farmer's knowledge and skills.

- Undertook 5 inter regional field trips by farmers. The objective of the tours was for the farmers to learn and appreciate the practices of their colleagues in other regions. This helped in knowledge sharing and transfer, as better practices were identified and adopted by farmers.
- Held 30 Coffee shows in 30 districts. The main purpose of the coffee shows were to showcase better practices along the Coffee value chain and create interaction between farmers and other stakeholders, especially input suppliers. It was done in collaboration with other stakeholders under the coffee production campaign.
- Conducted 342 Seminars with 30,560 participants attending in all coffee growing districts. These trainings addressed all aspects of coffee production, quality improvement and enforcement of coffee regulations
- Aired 108 programmes (30 minutes each) on Radio in 5 Regions. Farmers were sensitized on various issues along the Coffee value chain with respect to farm activities and emerging issues such as disease and pest out- breaks.
- Held 12 National Steering Committee Meetings of the Coffee Platform. Presentations were received from several organizations with interest in Coffee; USAID FTF, IDH, ITC, PTC and Technoserve.
- Facilitated 20 district coffee platforms to sensitize farmers and processors on quality at post-harvest, and in collaboration with the National Steering Committee of the coffee production campaign, participated in deliberations of the Annual stakeholders' Meeting
- Held the Annual Stakeholder Meeting of the Coffee Platform on 13th December. The presentations and deliberations centered on;
 - Global and local coffee trends
 - New information on the Black twig borer especially on alternate hosts and infestation levels
 - new information on impact of climate change trends in the country and likely impact on coffee
 - Awareness of available technology in geo- maps that capture production data and information, mapping using GIS
 - Experiences from Technical visits to Vietnam, Brazil and Costa Rica – comparison on agronomy practices and policy frameworks; new trends and findings in Global Coffee Research

3.8 Provision of Technical Extension Services and Quality Enhancement

As part of the Quality improvement drive, programmes were put in place to ensure that quality aspects are upheld at post – harvest level, in addition to enforcement of the Coffee Regulations. The following were the achievements;

- Registered 332 Buying stores
- Licensed 395 Primary Processing factories
- Registered 1 Export Grading factory
- Held 20 Workshops for traders and buyers, attracting 314 processors and buyers
- Formed 4 Regional Task forces for Central, Eastern, South – Western and Northern Regions – the task forces carried out spot inspection of Stores and factories to ensure adherence to the Coffee Regulations.
- 6 Multi-Stakeholder Task Force implemented in eastern region (Busoga and Mt. Elgon Zone); South – Western and Central Regions. These Multi-stakeholder task forces made follow ups on implementation and adherence of the Coffee Regulations by Buyers and Processors in addition to sensitization. Punitive actions were taken on those found not adhering to the regulations.

Chapter 4

COFFEE RESEARCH

4.0 Introduction

The Coffee Research Centre (COREC), with effect from July 1, 2013, evolved into the National Coffee Research Institute (NaCORI), which is a new NARO institute mandated to handle research for development in coffee. The progress made during the October 2012 to September 30, 2013 period builds on what was reported in previous years and therefore the report gives achievements made in the period but also highlights cumulative progress for some activities.

4.1 Progress on Robusta coffee

Work on Robusta coffee revolved around the generation of planting materials of the 7 CWD varieties, distributing the planting materials to private coffee nursery operators designated by UCDA and technical backstopping to the nursery operators to improve efficiency in generating planting materials.

4.1.1 Propagation of the 7 released CWD resistant clones by tissue culture

NaCORI targeted to raise 10,000 rooted cuttings of the 7 CWD resistant Robusta coffee varieties between October 2012 and September 30, 2013. This was anticipated to be achieved through a well maintained and productive mother garden (source cuttings), developing a perfect protocol for rooting cuttings. The Institute therefore continued to properly maintain a mother garden of the 7 varieties at Kituza. 6,839 rooted cuttings were generated, of which 5,772 were given out to nursery operators. The remaining 1,067 rooted cuttings are still available at the nursery and ready for distribution. In addition, 9,384 new cuttings were harvested and planted under cages at the coffee nursery at Kawanda for rooting and we expect up to 60% outturn (5,630 plants), which will be given out to nursery operators in the first rains of 2014.

During the reporting period, the protocol for rooting and weaning variety KR4, which hitherto had been difficult to wean at early stages of weaning was improved further.

4.1.2 Multiplication of 7 released CWD resistant Robusta clones by cuttings

In the previous year, NaCORI had planned to generate at least 300,000 plants of the 7 commercial CWD resistant Robusta coffee varieties by September 30, 2012, using the tissue culture facility at Kawanda, but it was realized that this is not achievable within a year due to limited laboratory space, lack of appropriate weaning facilities and the need for more

efficient protocols for in vitro regeneration of plantlets. Therefore in 2012/2013 the target was revised to at least 20,000 plants.

Progress towards this target is given in Table 14. Only 12,629 plants were generated. This was mainly due to fungal infection that killed over 15,000 plantlets. This problem is now being contained by disinfecting the media with soil fungicides as investigations into the causative organism(s) and their control continues.

The plants currently in the hardening shade shall be available for distribution to nursery operators from October 2013 to November 2013.

Table 14: Progress on Tissue Culture Propagated 7CWDr Robusta Coffee Varieties 2012/13

Variety	Plants in Poly Boxes	Plants in poly pots (Tunnel)	Plants in hardening shade	Plants given out	Plants ready for distribution	Total
KR1	128	622	225	11	16	1,002
KR2	1,953	3,134	675	303	14	6,079
KR3	1,797	52	17	525	166	2,559
KR4	124	106	05	0	12	247
KR5	98	80	13	0	10	201
KR6	676	56	88	225	78	1,123
KR7	1,114	211	35	50	08	1,418
Total	5,890	4,261	1,058	1,114	304	12,629

Note: KR1-KR7 = Kituza R1 – Kituza R7

Among other achievements under this activity are:

- Attainment of 85-95% survival of plantlets in the composite weaning medium supplemented when disinfected with soil fungicides.
- Provided sufficient leaves for explants to AGT Buloba for generating plantlets at AGT laboratory.
- Optimization of in vitro protocols for generating plantlets of varieties KR4 and KR5 is still in progress

4.1.3 On-farm evaluation of potential high value lines of CWD resistant Robusta coffee

NaCORI conducts multi-geographical location trials of lines of CWD resistant Robusta coffee, with high value potential, to determine their adaptability in terms of yield, quality and resistance to major coffee diseases under different agro-ecological conditions within the Robusta coffee growing areas of Uganda. The studies also compare on-farm and on-station (at Kituza) performance of these lines and provide an opportunity to farmers to participate in selecting good varieties, which then creates a preamble for early and quick adoption of varieties when released.

Scientists collected more sets of data on diseases and plant vigor to build on the data collected in previous periods, for determining performance of 25 high value CWD resistant lines which were planted in trials in Mityana, Ibanda, Mukono and Kamuli districts in 2008. Analysis of the data on these parameters is on-going. From the observations, none of the lines in the trials has succumbed to CWD. In addition, insignificant incidence of CLR disease was observed on other lines included in these trials but red blister disease is significant on some lines such as "Unknown 11".

Trials of 10 newly selected high value CWD resistant Robusta coffee lines, which were planted in Kayunga and Nakaseke districts, were gap filled. A new trial of the same materials was planted in Bukomansimbi district.

4.1.4 Up-scaling of CWD resistant Robusta coffee clones

The national coffee program has a pool of over 1,500 CWD resistant Robusta coffee clones at Kituza, from which potential high value lines are selected after evaluation. Currently, only 151 clones have been thoroughly evaluated and from which 35 clones (the 7 varieties inclusive) were selected and advanced to on-farm trials. During this reporting period, yield, vigor and disease data were collected on another batch of 207 CWD resistant genotypes in the on-station field trials at Kituza. Samples were picked from 85 of them and submitted to UCDA for quality analysis. Analysis of the disease, yield and plant vigor data collected is still in progress at Kituza. Another batch of 144 clones which was planted recently was nurtured following good agronomic practices.

4.1.5 Characterization of Elite CWD Resistant Lines

NaCORI is creating a core collection of Robusta coffee germplasm at Kituza with a safety backup collection at Bulegeni. All the old germplasm at Kawanda are being transferred to Kituza and Bulegeni and new ones are being introduced from forests (wild), farms in different parts of the country and outside the country. All the collections are to be evaluated and characterized using morphological and molecular traits and the data will be used in the effective utilization of the germplasm (direct selections as new varieties; provide complementary traits/genes for improving older varieties/other lines).

During the year, germplasm plots of 651 entries from farms within Uganda and 125 genotypes introduced from Ivory Coast, which were planted at Kituza in the previous reporting periods, were maintained. Another set of data was collected from these trials on yield, diseases and growth parameters. 120 of the Kawanda collections which were planted at Kituza in the previous period were maintained. Rooted cuttings were raised for gap filling.

DNA extraction for Molecular characterization of 41 high CWD resistant genotypes was completed and the fragment analysis is to be carried out at Nairobi Kenya at a later stage.

Robusta coffee samples collected from Zoka and Budongo forest are still being analyzed at Institute for Development Research (IRD) in France. Preliminary results show that Ugandan genotypes are completely different from other known groups.

A hundred (100) seedlings, which were collected from the forest undergrowth, were nurtured in the coffee nursery at NaCORI Kizuza and will be planted in the germplasm plots in April-May planting period.

4.1.6 *Developing alternative technologies for managing major diseases*

Coffee wilt disease (*Tracheomyces*) caused by the fungus *Fusarium xylarioides* is continuing to cause severe disease incidences on Robusta coffee in Uganda. Coffee wilt disease has no documented means of an early diagnosis. Currently diagnosis is largely symptomatic. There is therefore need to develop a method that is fast and fairly specific, to alert farmers about the presence of the fungus in the planting materials and in the soils of prospective coffee planting fields.

The purpose of the study was to develop fast, sensitive and specific molecular and immunological tools for detection of CWD pathogen in soil and plant parts, in order to foretell the spread of the disease, foster control of disease in nurseries and cleanliness of planting materials. The diagnosis would be based on molecular method using PCR and ELISA diagnostic methods³.

Serology (Immunology): Three proteins were extracted from the CWD pathogen and injected into rabbits to produce corresponding antibodies. Blood was got from the ears of the rabbits, clotted and the antibody which is found in the liquid part of the blood (Serum) was evaluated for specificity to CWD pathogen by western blot procedure. One diagnostic marker has been identified which has continued to produce specific antibody to CWD pathogen in rabbits. Two others are still under evaluation. Samples collected from Mbarara, Bushenyi and Ibanda to test for variation in the diagnostic protein. It is important to note that one protein now has been confirmed by western blot procedure for development into ELISA system.

However, there are still a number of gaps as outlined below;

- Collection of samples from other part of the country and two islands
- Evaluation of the two new candidate proteins
- ELISA construction and testing on field samples

Construction of both serology and molecular diagnosis for CWD pathogen is in progress. For serology, two more proteins have been identified and being evaluated before eventual construction of ELISA test for lab based diagnosis and simple format for direct field use. For molecular diagnosis, it is more specific and reliable than serology method. Ribonucleic Acid (RNA) has been extracted and synthesized into cDNA (Complimentary Deoxyribonucleic

³ Scientific method to detect specifically CWD pathogen in soil and plant parts

Acid). The cDNA will be cloned and expressed in bacteria to enable the gene responsible for the diagnostic protein to be identified and used as a probe (Primer) for PCR based diagnosis of the pathogen.

4.1.7 *Developing alternative technologies for managing major insect pests*

4.2 *Surveillance of Black Coffee Twig Borer*

Country-wide surveillance for spread and impact of BCTB, conducted during 2011/2012, covered 25 coffee producing districts in most of western, south-western, north-western, northern, eastern and central Uganda. The salient findings were presented in the annual report for the period. The results confirmed the epicenter of the current out-breaks lies in the central districts of Mukono, Kayunga and Luwero. BCTB was observed in all the sampled districts in central and at least 50% of the districts in southwestern region but not in West Nile, Mt. Elgon and northern regions. Namayingo (mid-eastern region) did not have BCTB. Infestation was higher in central (58.0%) than southwestern region (22.1%). At district level, infestation was highest in Mukono and Luwero (100%) followed by Bundibugyo (62.5%) and lowest in Mpigi (10%). Similarly, the percentage of trees attacked (incidence) and percentage of bored twigs (damaged) were highest in Mukono (91.7 and 13.6% respectively) followed by Luwero (73.3 and 5.2% respectively) and Bundibugyo (44.8 and 4.8% respectively). Further analysis results from the data showed variations in source and level BCTB awareness among farmers. 34.1% of farmers mentioned the print and electronic media, 23.5%, farmer to farmer relays, while 17.3% benefited from extension services. In conclusion, the study revealed that BCTB has considerably spread to other Robusta coffee growing districts since its first reporting in Bundibugyo district, and later Mukono and Kayunga districts as its epicenter. The current 8.6% death of the twigs translates to 8.6% reduction in coffee production, and export volumes and value.

Consequently, a manuscript entitled "Pest status, damage and host plant utilization of the Black Coffee Twig Borer (BCTB), *Xylosandrus compactus* Eichhoff (Coleoptera: Curculionidae) in Uganda" was presented at the 24th International Conference on Coffee Science, ASIC. November 11-16, 2012, San José, Costa Rica. A second manuscript entitled "Impact of the black coffee twig borer, *Xylosandrus compactus* (eichhoff) (Coleoptera: Curculionidae) and farmers' coping mechanisms in Uganda" was presented at the 11th African Crop Science Society (ACSS) conference in Entebbe, Uganda during 14-17 October, 2013. A BCTB database has also been created at NaCORI Kizuza.

4.2.1 *Specific identification of BCTB, and characterization of BCTB and ambrosia:*

Twig borers commonly attacking the primary branches of coffee in tropical Africa are scolytid beetles, either of the *Hypothenemus*, *Xylosandrus* or *Xyleborus* genera. They all belong to the family of the *Hypothenemus* borer, *Hypothenemus hampei* Ferrari, that commonly attack coffee berries in Uganda and elsewhere. However, a number of *Xylosandrus* species have been recorded elsewhere.

Preliminary findings of genetic analysis on twig borer samples from Mukono, Rukungiri and Kanungu done at ICIPE (International Centre for Insect Physiology and Ecology) Kenya confirmed the twig borer damaging coffee in Uganda is indeed *Xylosandrus compactus* Eichhoff. Preliminary results of tests conducted at NaCORI show that the fungal material isolated from BCTB and its associated galleries from central Uganda is *Fusarium solani* (Martius) Saccardo. Homogeneity test for ambrosia conducted at Kituza, the ambrosia from different locations in Uganda exhibited homogeneity suggesting it is composed of a single fungal species.

During the period under review, further collection of twig borer and associated ambrosia fungus has been done in Mukono, Kayunga and Luwero districts. These are undergoing processing at NaCORI prior to submission for genetic analysis.

4.2.2 Phytotoxicity and pathogenicity of *Fusarium solani* isolated from BCTB and its associated galleries to coffee plantlets

The BCTB attacked twig normally wilts, dries and eventually dies within a few weeks. However, limited information on the actual cause of the wilting and eventual death of coffee twigs upon infestation by BCTB exists. It could probably be due to disruption of water and nutrient movement across the BCTB-infested galleries or due to phytotoxins produced by the ambrosia fungus. Several strains of *Fusarium* spp. have been reported to produce a number of phytotoxins such as: - fumonisins, moniliformin, fusaric acid, 2,5-anhydro-Dglucitol (AhG) and trichothecenes, T-2 toxins, HT-2, moniliformin, zearalenone, neosolaniol, naphthazarin among others. In fact, *F. solani* is known to be pathogenic to plants including coffee, causing cankers, root rots and wilts. Plantlets were inoculated with the fungus using wounding and drenching methods. However, preliminary results show that plantlets did not develop any infection symptoms after 105 days. This implies that the toxins produced by the ambrosia fungus associated with the BCTB collected from Kituza, central Uganda were not lethal to coffee plantlets, which is in contrast with field observations of affected plants reaction to BCTB attack. However, more studies on the phytotoxicity of the ambrosia fungus from the different agro ecological zones (AEZ) of Uganda need to be done.

4.2.3 Host range studies:

Farmers in Uganda and elsewhere are currently relying on pruning and burning of infested branches or plants or removing them from the vicinity. However, this method requires a thorough knowledge of the host range and utilization of the pest in question. The occurrence of alternative hosts may influence the dynamics of this pest and thus complicate control strategies, particularly phytosanitary (cultural) methods. BCTB is highly polyphagous and has been reported to infest more than 224 plant species in 62 families including those listed as threatened and endangered. In Uganda, although BCTB was initially mainly reported on Robusta coffee, recent reports show that it attacks Arabica coffee as well.

4.2.4 Evaluation of community based phytosanitary interventions for management of coffee twig borer.

Community groups were formed in the sub-counties of Ntenjeru and Nabaale (Mukono district) and Nakaseke (Nakaseke district) to implement the phytosanitary interventions for BCTB control that included de-suckering, pruning and burning of infested coffee plant parts

and alternate host plants. The phytosanitary farms were periodically compared with the non-phytosanitary ones in order to establish the efficacies of the approach. Community participatory alternate hosts search was also conducted by the respective FFS (Farmer Field School) members.

The trials were set up at different times hence data has been collected over varying periods as follows: Over 9 months' period (Ntenjeru), 5 months period (Nabaale) and 3 months period (Nakaseke). Community mobilization was completed in all 3 study sites. All the 3 participating groups have been transformed into coffee farmers' field schools as follows: Tweekembe Coffee Farmers Field School (Ntenjeru), Nabaale Coffee Group FFS (Nabaale) and Kezimbira Coffee Farmers Field School (Nakaseke). Implementation of the evaluations was therefore done in the context of FFSs curricula.

Cumulative results clearly show application of phytosanitary recommendations caused decline in BCTB incidences in all the 3 test sub-counties (Table 15). Reduction in BCTB incidence was more pronounced in Mukono than in Nakaseke district probably due to differences in level of compliance with the recommendations.

Table 15: Cumulative BCTB Incidences in Phytosanitary Farms in 3 Sub-Counties in Central Uganda

	Mean incidence (%)		
	Ntenjeru (Mukono district)	Nabaale (Mukono district)	Nakaseke (Nakaseke district)
Phytosanitary farms	29	36	45
Non phytosanitary farms	69	80	57
Difference in incidence	40	44	12

4.2.5 Targeted and Community Based Search for BCTB Alternate Hosts

NaCORI scientists conducted surveys for BCTB alternate hosts in several districts of western, south-western and central Uganda. Community groups in the sub-counties of Ntenjeru and Nabaale (Mukono district) and Nakaseke (Nakaseke district) were also mobilized to participate in the search for alternate hosts within their localities. In-vitro tests for alternate hosts have also been set-up in the screen-house at Kituza. 16 alternate hosts have so far been identified.

Alternate hosts so far reported by farmers include mango (*Mangifera indica*), *Albizia* spp., *Cassia* spp., Sodom's apple (*Solanum incanum*), *Meisiopsis emnii*, *Caleandra* sp. and cocoa (*Theobroma cacao*). These are yet to be verified.

4.2.6 Screening pesticides for BCTB control

Up to 48% BCTB infestation of coffee planting materials has been recorded in the nursery at Kituza implying nursery materials can be a serious vehicle of BCTB spread. Trials are being conducted in the nursery at Kituza on 6 selected insecticides with high systemic properties and moderate persistence in order to identify suitable insecticides for protection of coffee nursery materials against BCTB. The same insecticides are also being tested in the field on-station at Kituza in order to determine their efficacies of BCTB control under field conditions.

Replicated trials were established both in the nursery and in the field to compare the effects of Dursban, Thionex, Dimethoate, Imaxi, Malathion and Sumithion on BCTB population dynamics. The most effective insecticides together with the appropriate rates and frequencies of their application were to be determined and recommended for use by farmers.

4.2.7 Evaluating Effect of Shade on Insect Pests, Yield, Quality and Soil Fertility

Coffee production in Uganda is constrained by, among others, prolonged droughts, which drastically curtails productivity and quality of the coffee. Currently there is deliberate effort by the coffee development agencies in Uganda including NaCORI, UCDA, NAADS, NGOs etc., to promote inter-planting coffee with shade trees for mitigating effects of prolonged droughts and improve yield and the quality of the coffee bean and cup.

The purpose of this investigation therefore was to verify the effect of shade trees on coffee yield, bean and cup quality, disease and insect pests and soil properties that contribute to soil fertility.

The study, which involves on-farm and on-station components, was initiated in 2008, by a multi-disciplinary team. The on-farm studies involved imposing studies on an existing Robusta coffee farm located in Namugongo, which is inter-planted with *Ficus natalensis* and *Albizia chinensis* as shade trees and later extended to other sites in Masaka. On station studies involved planting a new trial of CWD resistant Robusta coffee lines inter-planted with *Ficus natalensis*, *Albizia chinensis* and *Gravellea robust* shade trees.

4.2.8 BCTB Trapping Trials

The development of BCTB Trapping technology for integration into the overall BCTB IPM package began in 2012 with traps modifications, selection of most effective attractants and evaluation traps placement positions on tree canopy. A modified trap designed from used water bottles was adopted using a combination of ethanol and methanol (Figures 1 below). McChartney vials were adopted as dispensers of the attractants in the modified traps. Preliminary trappings using the ethanol and methanol combinations consisted of BCTB, CBB and an assortment of coleopteran and lepidopteran insects. During the reporting period, focus was on identifying suitable attractants among the local potent gin, and evaluation of appropriate colors for BCTB traps. The local potent gin (Kasese-Kasese) appeared to have the same efficiency as commercial ethanol 75%. Color of traps did not notably influence the number of BCTB trapped.



Modified BCTB trap made up of a perforated mineralwater bottle and a Mc'Carthy vial dispenser



Evaluating BCTB traps of different colours for efficiency of BCTB trappings

4.2.9 Germplasm Characterization, Conservation and Utilization

Generation and evaluation of progenies of CWD-R x CWD-S parents for yield, disease resistance, quality

NaCORI maintained a trial at Kituza of 29 specific hybrid progenies using the good agricultural practices of Robusta coffee. Data on diseases resilience, yield and growth, which were collected in the previous reporting period were analyzed. Basing on these results, 17 individual genotypes of high value potential were selected genotypes have been cloned to generate planting materials for planting in replicated trials. Green coffee bean samples were prepared from the selected genotypes and submitted to UCDA for cup quality analysis.

4.3 Progress on Arabica Coffee Research

4.3.1 Evaluation of Arabica introductions from India for yield, quality and, diseases (leaf rust coffee berry disease etc.)

Two lines of Arabica coffee, "selections 5 and 6" were planted out in field trials in 2009/10, alongside known locally available lines KP423, SL14, SL28, Bugisu local, NG9257 and Ruiru 11 as controls. The trials were established on-station at Kituza and on-farm in Kapchorwa, Manafwa, Nebbi and Zombo districts (Table 16), however, not all the varieties and/or trees established well in the first planting, which led to gap filling, even as late as 2010/11. Seed of "selection 5" was imported one year later. The lines are being evaluated for adaptation to Ugandan agro-ecological conditions in terms of yield, plant vigor, resistance against leaf rust, coffee berry disease, cup and physical bean qualities. The trials were/are variably managed by the farmers despite repeated plea by NaCORI scientists to the host farmers to manage the trials using good agronomic practices.

Table 16: On Station and on Farm Arabica Coffee Introduction Evaluation Trials

Location	Farmer	Focus trait(s)	Status of trial
Mukono-Kituza	NaCORI on-station	Resistance to CLR and red blister, and yield, cup quality, physical bean quality, plant vigor	Managed by Kituza. Well maintained. Started bearing in 2011/12 season. All data sets collected.
Sironko-Buginyanya	BUGIZARDI on-station-	Resistance to CBD, yield, cup quality, physical bean quality, plant vigor	Managed by host Research Institute.
Kapchorwa	Four farmers	Resistance to CBD, yield, cup quality, physical bean quality, plant vigor	Managed by host farmers. One trial well managed, two trials poorly managed one trial abandoned by the farmer. Started bearing in 2013. Plant vigor data available for well managed trials.
Manafwa	Four farmers	Resistance to CLR and red blister, and yield, cup quality, physical bean quality, plant vigor	Managed by host farmers. One trial excellently managed, two trials fairly managed and one trial poorly managed. Started bearing in 2013. Plant vigor data available for all trials.
Nebbi	Two farmers	Resistance to CLR and red blister, and yield, cup quality, physical bean quality, plant vigor	One trial abandoned due to land wrangle and the second trial well maintained. Started bearing in 2012. Plant vigor data available.
Zombo	Two farmers	Resistance to CBD, yield, cup quality, physical bean quality, plant vigor	One trial abandoned by host farmer and the second trial well maintained. Started bearing in 2013. Plant vigor data available

Coffee in most of the well managed trials has reached its first bearing

Analysis of data collected from the well maintained trials during the reporting period is in progress, however, a summary of growth parameter for the trials in Manafwa district is given in Table17. Green coffee bean samples are being prepared from these trials for quality analysis.

Table 17: Plant Vigor for Arabica Coffee Introduction in Manafwa District

Variety	HS	GS	IS	NP	LP	IP	BP	BN	NB	CD	H1	LA
KP432	79.3	1.7	5.6	20.7	22.1	6.1	1.3	0.0	0.0	93.0	65.7	80.7
SLN 6	72.0	1.7	5.3	16.0	26.4	5.8	4.1	0.0	0.0	93.0	54.0	65.0
SLN 5	71.6	1.6	5.0	18.8	20.9	5.0	4.4	0.4	0.0	82.0	59.2	62.4
Bugisu local	69.3	1.4	5.6	16.3	21.5	5.5	1.3	0.3	0.0	69.5	52.3	58.3
Ruiru	68.1	2.0	4.1	24.7	23.9	4.0	14.6	2.7	0.0	96.1	61.6	81.1
SL14	47.0	1.2	4.1	12.0	14.7	5.6	1.0	0.0	0.0	59.0	37.0	47.0

HS = stem high, GS = Girth of stem, IS = number of internodes on stem, NP = number of primaries, LP = length of primaries, IP= number of internodes on primaries, BP = Bearing primaries, BN = Bearing nodes, NB = Number of berries per node, CD = canopy diameter, H1 = height from first primary, LA = leaf area.

General observations from the trials show that Ruiru 11 was the most vigorously growing variety, an indication that it comes into flowering earlier than the other lines.

Yield, quality and response of the lines to diseases at Kituza are given in Figure 7. This being the first crop, the observed yields are too low and not representative for inference. The results show that the new introductions NG9257, Elgon CB and Indian selections 5A and 6, have outstanding resistance to CLR compared to the local check varieties. Local check genotypes SL34, SL28, KP423and SL14 were most susceptible under both field and laboratory conditions. Indian "selection 6" had a better bean density and organoleptic qualities than Uganda commercial varieties. This implies these lines have a potential for either direct use as new varieties or for improving other lines in the breeding program.

Figure 7: Resistance among Coffee Lines to Leaf Rust under Field Conditions in Kituza

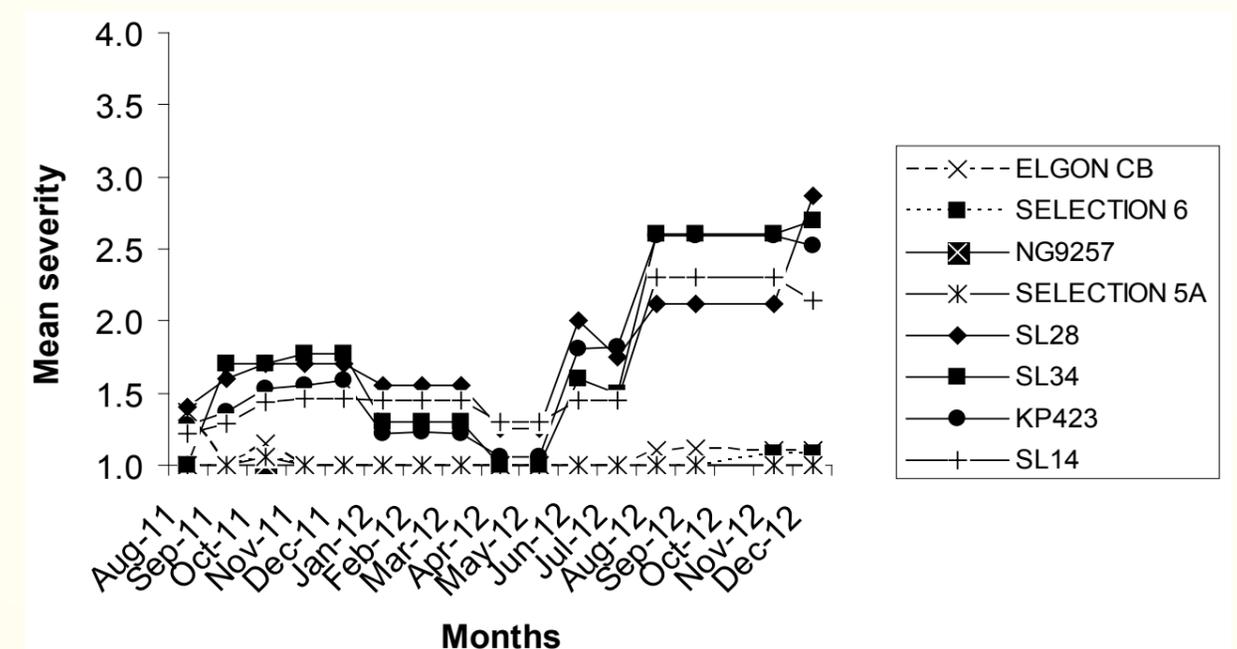


Table 18: Arabica Coffee Variety Performance (Yield, disease resistance and quality characteristics)

SAMPLE	Yield	% Rust Incidence	Screen 17 Retention	Bean Density	Aroma	Flavor	After Taste	Salt/Acid	Body	Sweet	Balance	Overall
KP423	0.1	41.4	18	0.700	7.500	7.333	7.250	7.583	7.417	10	7.333	7.333
SL14	0.5	33.1	17	0.696	7.639	7.639	7.389	7.306	7.639	10	7.389	7.444
NG9257	0.3	0	16	0.681	7.313	7.250	7.157	7.032	7.657	10	7.250	7.282
SL34		45.4	18	0.625	7.667	7.583	7.583	7.583	7.500	10	7.500	7.167
ELGON CB	0.7	1.9	16	0.703	7.860	7.417	7.167	7.417	7.333	10	7.500	7.500
SL28		55.6	17	0.703	7.750	7.500	7.500	7.375	7.500	10	7.500	7.500
Indian sel. 6	0.3	0.9	16	0.711	7.750	7.750	7.500	7.750	7.750	10	7.750	7.750
Indian sel. 5	0	0.8	-	-	-	-	-	-	-	-	-	-
P value		< 0.001										

Table 19: Comparison of Arabica Coffee Varieties Response to CLR under Laboratory and Field Conditions

VARIETY	% INCIDENCE	MEAN SEVERITY (Scale: 1-4)	REACTION TYPE	LABORATORY ASSESSMENT		
				% INCIDENCE	MEAN SEVERITY (Scale: 0-9)	REACTION TYPE
	FIELD ASSESSMENT			LABORATORY ASSESSMENT		
KP423	41.4	1.5	MR	15.0	3.5	MR
SL28	55.6	1.8	MR	45.0	5.2	MR
NG9257	0.0	1.0	R	15.0	1.0	R
SL34	45.4	1.6	MR	65.0	5.0	MR
SL14	33.1	1.4	MR	50.0	5.2	MR
Elgon CB	1.86	1.02	R	-	-	-
Selection 5A	0.8	1.0	R	25.0	2.4	R
Selection 6	0.9	1.0	R	10.0	2.0	R
P-Value	<0.001	<0.001		<0.001	<0.001	



Incredible Yield at Bugusege Research Station

4.3.2 Evaluation of "Elgon A" Arabica coffee introductions for yield, quality and resistance against leaf rust, berry disease and other diseases

Data for yield, quality and response to leaf rust was collected from entries in the trial of "Elgon A" lines at Kituza. Results from the assessment (Table 20) shows that all test lines have yield far above our local varieties SL14 and KP423 except test lines D/12/12, A/4/13, D/11/11 and A/3/11. Test lines A/3/7, A/2/7, A/4/7, D/12/6 and E/13/3 yielded exceptionally well (2.5-2.6 tons per ha per annum). All the test lines were completely resistant to rust as compared to check/commercial varieties SL14 and KP423 that had infection of 3.3 and 2.2 respectively on a 1-5 severity scale. In terms of quality, all test lines had very good overall quality, with most of them better than current commercial lines. These results compare well with those of the previous reporting period where the lines highlighted in yellow were recommended for multi-location on-farm trials.

Table 20: Performance of "Elgon A" Arabica Varieties at Kituza

SAMPLE	Yield kg/cc/ha (3 yr mean)	Rust infection	Screen Size	Bean Density	Aroma	Flavor	After Taste	Salt/Acidity	Body	Sweetness	Balance	Overall Quality
SL14	530	3.3	17	0.7	7.6	7.6	7.4	7.3	7.6	10.0	7.4	7.4
D/12/12 (Specialty grade)	575	0	17	0.7	7.6	7.8	7.8	7.8	7.6	10.0	7.9	8.1
KP 423	579	2.2	18	0.7	7.5	7.3	7.3	7.6	7.4	10.0	7.3	7.3
A/4/13	583	0	17	0.7	7.6	7.4	7.6	7.7	7.6	10.0	7.6	7.6
D/11/11	755	0	16	0.7	7.8	7.6	7.6	7.3	7.8	10.0	7.6	7.6
A/3/11	767	0	18	0.6	7.5	7.4	7.3	7.0	7.8	10.0	7.3	7.4
E/13/9	1026	0	16	0.7	7.6	7.2	7.6	7.6	7.5	10.0	7.3	7.3
A/3/13	1065	0	18	0.6	7.8	7.8	7.8	7.8	7.5	10.0	7.8	7.8
D/11/7	1403	0	16	0.7	7.5	7.5	7.3	7.3	7.8	10.0	7.5	7.5
E/13/2	1493	0										
D/11/13	1502	0	18	0.7	7.8	7.4	7.5	7.8	7.4	10.0	7.5	7.6
D/11/12	1527	0	18	0.6	7.3	7.5	7.3	7.3	7.3	10.0	7.3	7.3
A/4/11	1586	0	18	0.7	7.8	7.5	7.5	7.3	7.8	10.0	7.5	7.5
D/11/6	1652	0	18	0.7	7.5	7.3	7.3	7.0	7.8	10.0	7.3	7.2
D/12/11 (Specialty grade)	1,896	0	18	0.7	7.7	7.7	7.6	7.3	7.8	10.0	7.6	8.4
A/3/7	2495	0	19	0.6	7.4	7.4	7.5	7.4	7.7	10.0	7.6	7.6
A/2/7	2,522	0	17	0.7	7.8	8.0	7.7	7.6	7.7	10.0	7.7	7.9
A/4/7	2,639	0	18	0.7	7.5	7.4	7.3	7.3	7.2	10.0	7.3	7.4
E/13/3	2642	0	17	0.7	7.4	7.6	7.5	7.3	7.8	10.0	7.6	7.6
D/12/6	2,642	0	18	0.7	7.5	7.6	7.5	6.8	7.7	10.0	7.6	7.6

4.3.3 Generation and evaluation of Arabica coffee hybrids for disease resistance and other traits

- Collection of data for assessing F1 hybrid progenies for yield and resistance to leaf rust continued in on-station trials at Bugusege. Analysis of the different data sets is still in progress.
- A total of 1,137 seedlings belonging to 45 F1 hybrid progenies of crosses between commercial lines (KP423, SL14) or once commercial lines (SL28, SL34, Bugisu local) and rust and CBD resistant non-commercial lines NG9257, NG9258, NG9260, Ruiru 11, Rume Sudan and Hybrid de Timor (have poor cup quality), that were maintained in the nursery at Bugusege are yet to be planted in field trials.
- 478 seedlings belonging to 14 backcross one hybrid progenies of crosses involving Bugisu local, SL14, KP423, SL34 and SL28 as recurrent parents, are still being maintained in the nursery at Bugusege. The seedlings were meant to be planted out in field trials at Kituza and Buginyanya in April-May 2012 but have not yet been planted due to logistical constraints.
- New crosses were conducted at Kituza to generate more F1 and Backcross 1 hybrid progenies).



Blossoming coffee tree with pollinated flowers covered with pollination bags

Arabica hybrids in a field trial at Bugusege: They are very high yielding and resistant to leaf rust. But they have not yet been tested for resistance against CBD and for cup quality.

existing resistant coffee genotypes. There is need to generate more coffee varieties with durable resistance to the existing CLR races in order to curtail farm yield and quality losses. Studies to quantify genetic diversity and also determine the geographical distribution of existing CLR races in Uganda by use of molecular markers have been initiated at NaCORI.

Achievements

- 1) Over 30 isolates from major Arabica coffee growing regions have been collected and preserved under -20°C at NaCORI bioscience laboratory. At the moment, sample collection has been accomplished in West-Nile (Zombo, Nebbi districts), Western (Kasese and Fort portal- (Mityana, Mukono and Mubende districts).
- 2) PCR amplification conditions for ITS1 and ITS4 primers for genetic diversity of Coffee rust pathogen have been fully optimized at NaCORI bioscience laboratory.
- 3) Joint Clinical Research Center (JCRC) has been identified as a possible provider of cost-effective DNA sequencing services in Uganda.
- 4) Interplanting coffee with shade trees for mitigating effects of prolonged droughts and improve yield and the quality of the coffee bean and cup.

4.3.5 Germplasm Characterization and Conservation

Characterisation, conservation and utilization of Arabica coffee germplasm

NaCORI continued to carry out various activities aiming at establishing an Arabica coffee germplasm at Kituza and Bugusege, with genotypes of known characteristics, ready for use in the breeding programme. The number of lines planted in the field collections at Kituza are now 117). 19 of the lines are entirely new to Uganda, introduced between 2008 and 2012. 5 lines (KP423, KP162, SL28, SL14 and Bugisu local) are commercial lines in Uganda. 22 of the lines are clones of hybrids generated at Kawanda in the early 1970s.

All lines in these collections are still at different stages of evaluation and characterization. It has been noted that the collection is rich with lines of different complimentary traits that can be used in the variety development/improvement programme.

4.3.4 Developing IPM packages for managing major diseases: Studies on diversity of the pathogen causing coffee leaf rust disease in Uganda.

Coffee Leaf Rust (CLR) caused by *Hemileia vastatrix* (Berk. and Broome) is a serious impediment to Arabica and Robusta coffee production in Uganda. Preliminary studies conducted in Uganda and other coffee producing countries have confirmed the existence of several races of the CLR pathogen. These additional CLR races are more virulent to some

5.0 Introduction

In the Coffee Year 2012-2013, Cabinet approved the Coffee Policy in line with the Development Strategy and Investment Plan (DSIP), the National Agricultural Policy and the National Development Plan. In addition, UCDA continued to; uphold good governance, practice good HR Management practices, implement good financial, asset management and auditing systems, and ensure compliance to procurement laws and guidelines. In keeping with the provisions of the Statute, UCDA ensured that its revenue was sufficient to meet its planned expenditure.

UCDA generated total revenue of UGX 15.688 billion to fund its programmes and activities and had a revenue expenditure of UGX 14.506 billion. Cess income, Government Contribution, Rent, Registration fees, and Interest earned on fixed deposits were the major sources of revenue.

5.1 Organizational Structure and Staffing

The Authority maintained a total of 61 Staff on its structure, under the four departments of Production, Quality and Regulatory Services, Strategy and Business Development, and Finance and Administration. Table 21 shows the distribution of Staff in the respective departments in the 2012/2013 Coffee Year.

Table 21: UCDA Staff in CY 2012/13

Department	Title	Number of staff
Office of the Managing Director	Managing Director	1
	Principal Officers (Auditor and HR)	2
	Executive Assistant	1
	Driver	1
Finance and Administration	Board Secretary / Head Finance & Administration	1
	Principal Accountant	1
	Senior Officers (Procurement Officer & Accountant)	2
	Administration Officer	1
	Assistant Accountant	1
	Executive Assistant	1
	Accounts Assistant	1
	Driver	1

Production	Manager	1
	Principal Development Officers / Regional Supervisors	5
	Regional Coffee Technical Officers	5
	Coffee Extension Officers	18
	Driver	1
Quality and Regulatory Services	Manager	1
	Principal Quality Controller	1
	Senior Quality Controller	1
	Quality Controllers	7
	Laboratory Assistant	1
Strategy and Business Development	Manager	1
	Principal Business Development Officer	1
	Principal Information Officer	1
	IT Officer	1
	Market Analyst	1
	Driver	1
TOTAL		61

5.2 Staff Recruitment and Selection

In order to improve service quality and delivery across the country, Management recruited the following Staff:

- One (1) Principal Business Development Officer;
- One (1) Quality Controller;
- Two (2) Regional Coffee Technical Officers;
- Eight (8) District Coffee Extension Officers for the Black Coffee Twig Borer Project.

5.3 Staff Training and Motivational Schemes

The following staff benefited from various trainings and workshops;

- Fifty (50) staff trained in career resilience and personal finances management.
- Fifty seven (57) staff in the new Monitoring and Evaluation System.
- Five (5) Quality Controllers trained in Quality Management Systems.
- Eleven (11) staff trained in Government procurement guidelines and procedures.
- The IT Officer was supported to train in Microsoft systems certified engineering.

- One (1) staff participated in the Leadership training for Women in Coffee Programme.
- Three (3) staff attended a workshop on government finance and accounting organized by MoFPED.
- The Procurement Officer attended a workshop in procurement best practices organized by PPDA.
- The Principal Information Officer participated in a 4-months global online network on empowerment of small-scale farmers and also went to Peru for a study tour organized by ELLA (Evidence and Learning from Latin America) and Practical Action (UKAID).
- Production Manager undertook a field study in Costa Rica.
- UCDA continued to offer motivational initiatives that uplift Staff to serve the community better and to be socially responsible. Outstanding among its staff motivation initiatives, was the health care scheme that aims to improve employees' health and that of their families.

5.4 Staff Recognition and Awards

The UCDA Managing Director was awarded the Lifetime Quality Award for his work in supporting coffee science and quality improvement by the Specialty Coffee Association of America (SCAA). This was the Association's 13th Award, and the Managing Director was the first recipient of the award on the African Continent.

UCDA recognized and rewarded members of staff with outstanding performance through the 'Employee of the Year' initiative. For the year 2013, Mr. Mugenyi Michael received the honor of the Employee of the year for his contribution to organizational efficiency and effectiveness.

5.5 Board of Directors

The Board of Directors considered and approved the following;

- Annual performance reports for Coffee Year 2011-2012,
- Establishment of a commercial office in Egypt with support from the Ministry of Foreign Affairs,
- Renewal of employment contracts for the Managing Director and the Principal Information Officer,
- Recruitment of a Principal Business Development Officer.
- Utilization of funds for the prevention of the Black Coffee Twig Borer.

5.6 Compliance with Regulatory Frameworks

Management complied with Government regulatory frameworks by periodically submitting programme performance reports 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 Economic Planning and Development ,
- Public Procurement and Disposal of Assets Authority,
- Privatization Monitoring Unit (PMU).

In the period, UCDA secured 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.

5.7 Partnerships and Special Projects

UCDA partnered with public organizations, the private sector and the donor community. Management liaised with Government agencies, academic institutions by sharing strategic information on the coffee sub sector.

Partnership with Hima Cement led to increased coffee planting in the Kasese and Kamwenge sub regions. The Authority further attracted funding support from aBi Trust towards planting material production, and got a funding approval from the same for the Center of Robusta Excellence (CORE) Project.

The partnership with Coffee Quality Institute (CQI) of America has been strategic in the development of Uganda's capacity as an in-country partner for coffee quality improvement. Together with CQI, Q and R trainings were organized, and R graders were certified and calibrated. In addition, Robusta Protocols were reviewed.

In its continuous effort to promote sustainable coffee production, UCDA's partnership with Uganda Organic Certification Limited (UgoCert) has ensured that coffee certification services are affordable and credible for farmers. The following farmer groups have been certified; Kawacom Sipi (Rain forest alliance), Zigoti (Japan Agricultural Standard), Ibero - Kikyusa (Utz), Ankole Producers (Organic / Fair Trade), Kawacom – Bushenyi (Utz /Organic), and Bukonzho Joint (Organic).

During the period, the Uganda Coffee Project (Phase II) was concluded. UCDA partnered with the Netherlands Trust Fund (NTF) in monitoring of the Project in the effort of making Uganda coffee compliant with international market requirements through value addition.

5.8 Intergovernmental Meetings

At the International Coffee Council (ICO), Uganda held the Chairmanship for the Project Committee, and further participated in the 109th and 110th Council meetings. Uganda further participated in the ICO General meeting in September 2013.

Uganda participated in the 52nd Inter-Africa Coffee Organization (IACO) Annual General Assembly. At the meeting, the Ugandan candidate, Mr. Frederick Kawuma was appointed to the position of Secretary General.

5.9 Management of Assets

A feasibility study on selected properties was completed and a Property Redevelopment Plan was documented with clear investment cost analysis for the following properties: Plot No. 20 Elizabeth Avenue, Kololo; Plot No. 9 & 11 Baskerville Avenue, Kololo; and Plot No. 181 & 183 Muteesa II Road, Ntinda.

Regular maintenance and repair of buildings and equipment was undertaken. The following renovations were completed: Re-roofing Block 33 Bugolobi flats, exterior repainting of coffee house, repairs of the coffee house terrace, renovation of Plot 42 Windsor Crescent Kololo, and repairs at the Lugogo laboratory block.

Eight motorcycles were procured bringing the fleet number to 27. The fleet of 7 motor vehicles and 27 motor cycles were regularly serviced and maintained in good running condition.

To improve security of Staff, UCDA concluded the procurement process for the installation of Closed-Circuit Television (CCTV) surveillance system at Coffee House.

5.10 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 8 students from Makerere University Kampala, Christian University Mukono, Makerere University Business School and Kyambogo University. UCDA's further maintained its presence and participation in corporate league activities.
- 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. This is projected to increase production and so improve household incomes.
- Sharing packages of roasted coffee with members of the police force and prisons.
- 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, Uganda Manufacturers Association (UMA), Africa Coffee Academy (ACA) and Federation of Uganda Employers.

5.11 Field Visits under Monitoring and Evaluation

Management together with the Parliamentary Committee on Statutory Authorities and State Enterprises (COSASE) and the Parliamentary Committee on Agriculture conducted field visits to Western, South Western and Central Regions. The aim was to evaluate the coffee production and productivity programmes in the regions. The team visited the following districts; Bushenyi, Sheema, Bukomansimbi, Mityana, Gomba, Mubende, Masaka, Kalungu and Rakai. The Committees appreciated the coffee programmes but noted pest and disease prevalence, and the impact of climate change on coffee production.

Routine monitoring and evaluation 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 and, coffee promotion programmes. The monitoring and evaluation exercises were also undertaken to assess gaps in implementation that need strategic interventions.

STATISTICAL APPENDICES

APPENDIX I: EXPORT PERFORMANCE BY INDIVIDUAL FIRMS BY MONTH IN 2012/13 -60 KILO BAGS

NO	EXPORTER/MONTH	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
1	Ugacof (U) Ltd	24,230	37,676	54,228	49,754	42,522	48,391	28,126	53,938	68,754	86,657	66,808	48,740	609,824
2	Kyagalanyi Coffee Ltd	17,460	30,125	17,348	37,735	29,751	32,955	29,531	46,587	37,131	44,881	39,484	11,113	374,101
3	Olam (U) Ltd	22,234	22,867	13,706	14,625	21,413	22,171	28,149	28,807	24,188	48,120	42,470	28,980	317,730
4	Kawacom (U) Ltd	13,561	7,790	16,558	19,744	17,548	20,562	19,461	34,924	22,736	28,498	8,771	10,830	220,983
5	Job Coffee Ltd	3,950	16,958	18,140	24,402	25,928	16,550	14,436	25,885	18,830	22,153	12,974	4,447	204,653
6	Kampala Domestic Store Ltd	10,200	14,080	15,880	23,978	24,466	18,886	11,860	20,244	29,650	14,020	8,930	7,720	199,914
7	LD Commodities (U) Ltd	8,005	6,691	6,160	13,564	21,202	7,236	16,798	30,734	22,557	16,136	12,682	15,466	189,241
8	Savannah Commodities Ltd	9,750	12,078	16,370	20,340	29,305	18,282	9,026	15,174	25,355	10,130	12,444	7,840	186,094
9	Ibero (U) Ltd	10,303	10,203	10,775	17,323	7,556	21,391	8,804	11,470	14,920	21,946	15,008	11,570	161,269
10	Amajaro (U) Ltd	7,506	8,204	8,875	20,425	19,886	12,168	13,763	17,592	9,905	9,440	7,781	7,962	143,507
11	Great Lakes Coffee Co. Ltd	9,216	13,168	10,802	13,538	14,356	12,132	10,672	15,802	8,218	8,332	11,306	6,816	134,358
12	Export Trading Company (U) Ltd	7,320	2,880	1,336	320	1,280	6,210	9,590	24,150	10,200	10,930	17,040	23,174	113,094
13	Ideal Quality Commodities	6,850	6,850	9,844	12,610	12,804	11,060	5,918	9,080	9,510	6,290	12,930	5,674	102,570
14	Lakelands Holdings Ltd	4,050	5,508	11,487	23,281	16,169	13,912	5,756	5,222	13,930	2,825	350		102,490
15	Ishaka Quality Commodities Ltd	4,650	4,650	5,250	7,842	6,164	3,686	1,380	4,170	3,780	5,870	4,844	5,070	52,706
16	Kamba Petroleum	5,030	2,160	4,702	6,750	6,736	2,030	2,684	7,802	5,582	4,260	2,004	2,520	52,260
17	Commodity Solutions (U) Ltd	1,630	1,630	1,336	4,760	7,808	5,404	4,314	6,658	5,854	3,678	6,098	2,082	49,622
18	Nakana Coffee Factory	710	4,000	6,492	10,588	9,378	4,588	4,790	684	320	1,708	988	710	44,936
19	Besmark Coffee Co. Ltd				1,760	4,820	6,640	5,158	6,016	2,790	4,350	7,854	2,400	41,788
20	Risala (U) Ltd	600	1,850	3,338	3,022	4,230	2,100	1,850	2,700	3,900	1,500	3,600	4,200	32,890
21	Mbale Importers & Exporters	1,310	1,914	1,000	3,620	2,310	990	3,690	6,330	3,330	4,610	1,620	990	31,696
22	Wabulungu Multi-purpose				1,024	5,322	5,036	2,962	1,986	2,454	4,508	2,450	645	26,387
23	Ankole Coffee Producers	1,620	1,310	2,300	960	1,880	2,250	1,950	320	1,607	5,240	2,290	2,890	24,617
24	Ronald Bwambale Enterprises						1,400	1,400	3,332	5,058	5,676	5,564	1,728	24,158
25	Coffee World		640	3,060	5,992	3,412	3,728	1,020	334	2,560	350	1,440	1,760	20,296
26	Kawati Coffee Plantation	960			640	960	1,280	960	6,720	4,160	490	640	320	20,000
27	Bakwanyie Trading Co. Ltd	5,528	2,604	2,300	1,340		2,390		688	1,054		2,108	1,440	19,432
28	Karaz Coffee Factory					700	1,750	700	2,100	4,550	2,100	2,770	1,750	16,420
29	Ankole Coffee Processors	680			1,040	720	1,440	720	1,360	670	1,390	1,040	320	9,380
30	Kisuule Astacio & Sons Ltd	4,110	3,110	330	1,720									9,270
31	Genious Limited							320		330	4,676	1,980	330	7,316
32	Coffee Services Intern. Ltd	2,700	2,400			1,600								6,700
33	Gumutindo Coffee Coop			320	570	960	870	1,210	640		490	640	320	6,020
34	Zigoti Coffee Works Ltd	3,611	1,310		334	334	300							5,889
35	Bukonzo Joint Coop Union Ltd			630	320	650	219	111	320	330		970	320	3,870
36	Nitubaasa Limited			640		640	640		316		640			3,516
37	Kitasha Coffee Buyers	1,750	1,050	350										3,150
38	Banyankole Kweterana							320		640			1,614	2,574
39	Nile Highland Arabica Coffee			960	640		190		320					2,110
40	Kibinge Coffee Farmers Coop												1,920	1,920
41	Shiba World Investment Ltd				271		353			508		320		1,132
42	Budairi Arabica Coffee Fac.				320							640		960
43	Seab Global Traders Ltd													640
44	Masai Tours & Travel Ltd		320											320
45	Kabum Trading Company													320
46	Katuka Development Trust Ltd					320				320				320
47	Bridge Commodities Ltd											186		186
	Total	178,024	224,396	243,181	345,114	343,130	309,190	247,429	392,385	361,521	395,564	318,394	224,301	3,582,629

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APPENDIX II: 25-YEAR EXPORT PERFORMANCE SERIES BY TYPE & UNIT PRICE - \$/KILO (60 Kilo Bags)

Coffee Year	Robusta		Arabica		Total			Unit Price in US \$ /Kilo		
	Qty	Value \$	Qty	Value \$	Qty	Value \$	Robusta	Arabica	Average price	
1988/89	2,938,860	273,806,235	175,536	21,061,646	3,114,396	294,867,881	1.55	2	1.58	
1989/90	2,228,293	125,970,229	136,458	13,615,502	2,364,751	139,585,731	0.94	1.66	0.98	
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	
AVERAGE	2,432,720	187,592,893	467,193	58,922,507	2,899,913	246,515,400	1.26	1.95	1.39	

APPENDIX III: COFFEE EXPORTS BY VOLUME AND VALUE 2008/09-2012/13

GRADE	QUANTITY IN 60-KILO BAGS; VALUE IN US\$									
	2012/13		2011/12		2010/11		2009/10		2008/09	
	QTY	VALUE \$	QTY	VALUE \$	QTY	VALUE \$	QTY	VALUE \$	QTY	VALUE \$
TOTAL	32,582,629	432,694,059	2,726,249	392,696,138	3,149,423	448,890,669	2,668,971	266,715,621	3,053,688	291,761,739
ROBUSTA	2,781,478	317,728,861	1,904,176	223,976,023	2,484,013	294,606,045	1,957,400	163,484,690	2,405,137	212,848,980
OCT	137,049	17,098,647	167,645	18,987,639	118,422	10,761,243	146,711	11,789,081	151,155	17,139,504
NOV	165,052	19,882,439	149,684	16,060,997	200,269	19,394,818	185,004	15,012,284	220,268	21,582,136
DEC	180,217	20,903,513	167,558	18,694,380	187,487	18,580,525	208,903	16,509,486	251,386	24,439,607
JAN	263,010	30,069,401	159,446	17,991,284	159,880	17,495,886	209,993	17,019,416	269,395	24,046,556
FEB	270,891	31,046,761	157,860	17,606,100	142,834	15,938,202	184,432	14,653,763	248,364	22,481,152
MAR	239,090	27,274,443	104,260	12,244,136	172,243	20,795,170	145,988	11,613,230	195,535	16,769,099
APR	190,212	21,736,112	70,758	8,563,982	129,578	15,844,878	91,882	7,242,599	142,893	11,754,995
MAY	287,932	33,282,174	168,233	20,193,776	193,356	24,484,235	105,498	8,641,248	158,341	12,875,835
JUN	284,425	32,197,294	215,940	26,844,583	306,392	41,108,666	173,598	14,644,776	209,503	17,194,480
JUL	318,731	35,312,780	235,689	28,873,154	334,502	44,052,764	210,977	18,950,466	215,767	16,910,898
AUG	258,704	28,533,797	172,506	21,472,939	257,823	32,059,107	170,178	16,056,668	203,986	16,433,983
SEPT	186,165	20,391,501	134,597	16,443,052	281,227	34,090,553	124,236	11,351,674	138,544	11,220,734
ARABICA	801,151	114,965,197	822,073	168,722,115	665,410	154,284,625	711,571	103,230,931	648,551	78,912,759
OCT	40,975	6,396,639	47,640	12,119,169	69,590	12,539,111	52,300	6,883,497	28,079	3,818,259
NOV	59,344	9,084,288	77,493	18,034,286	66,457	12,811,912	48,507	6,950,918	46,464	5,892,864
DEC	62,964	9,560,719	74,103	18,208,484	50,260	10,111,007	63,852	9,188,988	47,262	5,878,310
JAN	82,104	12,495,417	67,016	15,879,186	55,300	12,485,120	53,021	8,126,715	59,816	6,422,790
FEB	72,239	11,059,343	86,429	18,543,370	51,131	11,950,718	78,361	11,624,043	71,241	8,562,260
MAR	70,100	10,530,447	83,332	17,976,722	56,336	14,044,553	73,696	10,352,161	60,722	7,154,243
APR	57,217	8,590,756	70,462	13,300,600	45,962	11,152,999	60,758	8,303,960	62,832	7,304,272
MAY	104,453	14,817,094	84,210	15,544,422	54,104	14,771,417	71,882	9,592,094	62,279	7,290,706
JUN	77,096	10,614,273	59,111	10,160,825	64,532	17,112,925	61,358	8,376,326	44,523	6,016,435
JUL	76,833	9,808,267	70,642	11,928,412	41,671	10,376,649	55,238	8,581,474	49,800	6,453,488
AUG	59,690	7,409,146	59,947	10,083,535	50,916	12,193,492	47,106	7,645,086	56,250	7,128,798
SEP	38,136	4,598,809	41,688	6,943,105	59,151	14,734,721	45,492	7,605,669	59,283	6,990,335

APPENDIX IV: COFFEE PROCUREMENT FIGURES IN 60-KILOGRAMME BAGS

Month	2010/11				2011/12				2012/13			
	Actual				Actual				Actual			
	Robusta	Arabica	Total		Robusta	Arabica	Total		Robusta	Arabica	Total	
Oct	120,412	68,529	188,941		155,167	50,123	205,290		151,243	42,400	193,643	
Nov	212,477	69,323	281,800		160,012	65,012	225,024		180,116	60,252	240,368	
Dec	230,428	45,311	275,739		170,235	69,015	239,250		190,258	63,015	253,273	
Jan	165,114	52,300	217,414		160,012	68,510	228,522		280,415	85,102	365,517	
Feb	160,006	53,107	213,113		165,009	90,018	255,027		260,219	75,200	335,419	
Mar	155,001	52,176	207,177		106,105	85,658	191,763		240,005	71,018	311,023	
Apr	165,002	45,089	210,091		75,013	72,009	147,022		201,505	60,002	261,507	
May	200,444	49,150	249,594		190,215	95,145	285,360		300,104	90,102	390,206	
Jun	321,793	53,087	367,100		252,148	80,146	332,294		310,184	87,106	397,290	
Jul	360,901	54,104	407,225		320,125	79,164	399,289		330,014	109,010	439,024	
Aug	286,903	52,009	332,132		270,125	70,103	340,228		300,147	89,100	389,247	
Sep	243,899	50,000	287,772		200,136	65,158	265,294		260,553	75,802	336,355	
Total	2,622,380	644,185	3,266,565		2,224,302	890,061	3,114,363		3,004,763	908,109	3,912,872	

APPENDIX V: COFFEE EXPORTS BY BUYER BY MONTH 2012/13

BUYER/MONTH	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
SUCAFINA	24,310	33,920	50,780	52,704	38,062	48,071	23,188	44,070	64,965	82,573	64,836	42,190	569,669
OLAM INTERNATIONAL	15,950	16,837	14,416	19,216	35,803	33,049	31,043	33,155	22,812	14,884	27,222	9,978	274,365
COEX COFFEE	1,644	11,852	10,622	25,612	32,406	20,392	16,208	24,626	22,676	27,493	18,734	4,719	216,984
ECOM AGROINDUSTRIAL	13,561	7,790	16,558	19,854	17,548	20,262	17,661	34,924	19,236	22,998	8,471	7,030	205,893
BERNHARD ROTHFOS	10,303	9,882	11,415	18,293	7,876	21,391	9,764	11,430	15,240	22,614	15,008	12,210	165,426
LOUIS DREYFUS	13,109	8,271	10,676	28,378	31,843	18,106	7,416	6,955	6,789	15,700	5,589	9,342	162,174
SOCADEC	3,000	9,680	16,808	32,591	20,984	16,498	4,962	16,497	17,095	8,605	8,300	1,525	156,545
ALDWAMI	9,800	18,900	12,934	9,710	8,400	1,050	5,600	11,200	21,700	11,550	16,800	13,300	140,944
ARMAJARO	7,506	8,204	8,875	20,425	17,966	12,168	13,763	17,592	9,839	8,933	7,141	7,642	140,054
VOLCAFE	11,200	9,195	7,430	10,487	19,100	12,520	4,830	15,290	4,930	16,140	14,554	4,420	130,096
ICONACAFFE	15,162	5,080	6,422	14,342	17,160	16,266	9,326	10,998	8,082	6,738	9,764	6,340	125,680
ABACO	1,734	4,200	13,300	1,750	8,750	4,550	1,050	9,450	22,750	24,150	6,300	15,050	113,034
ALTASHEEL	3,150	3,500	2,450	8,050	9,390	7,310	5,600	20,270	9,800	5,204	8,020	8,060	90,804
OCT/TUNIS							11,152	17,710	6,012	21,976	15,030	14,696	86,576
COFFTEA	4,550	9,450	8,050	3,500	4,550		4,550	13,300	14,000	3,850	17,700		83,500
STRAUSS COFFEE	2,416	5,060	2,286	7,525	8,833	10,415	7,449	4,099	5,705	13,083	1,680	5,489	74,040
KONINLIJK					5,390	10,440	6,120	10,440	15,800	1,440	1,440		51,070
VAYNAN COMPANY		6,000	1,850	3,000		3,000	4,702	10,258	9,720	3,680	5,140	3,500	50,850
HAMBURG COFFEE	2,634	4,208	5,526	9,436	7,260	2,490	6,982	3,188	320	720	334	360	43,458
GUZMAN	1,340	2,660	2,330	6,290	3,360	1,698	2,644	5,010	4,410	8,700	3,980	330	42,752
DECOTRADE	6,480	8,271	2,880	16,920	4,320								38,871
MAISON		1,300	2,620	1,990	988	6,680	9,866	3,578	4,652	4,314	1,530		37,518
GEBR. WEST	345	360		360	350	1,080	2,160	8,895	9,490	3,468	3,914	2,520	32,942
NKG BERO ITALIA	1,640	3,284	2,964	2,312	2,268	480	1,348	2,322	1,600	1,976	4,868	5,680	30,742
FALCON	960	4,220	5,240	3,520	1,280	960	2,240	320	1,434	1,660	1,950	4,800	28,584
WORLD BOTANICAL	1,670	1,584	334	320	320	3,394	5,204	3,684	3,638	640	1,370	2,678	24,836
AFRICA TEA & COFFEE	600	1,850	3,338	3,022	4,230					3,000	4,751	2,550	23,341
BERCHER COFFEE	1,650	2,240	2,800	700	2,240	4,480	1,280	3,240	1,601	640	320	1,920	23,111
COFFEE SERVICES	3,980	4,800	330	2,040	4,380		1,250		1,240		960	2,956	21,936
ELMATHAHIB	1,050	700	1,400	2,800	1,400		1,400	2,450	2,100	3,470	1,050	2,100	19,920
OTHERS	18,280	21,098	18,547	19,967	26,673	32,440	28,671	47,434	33,885	55,365	41,638	32,916	376,914
TOTAL	178,024	224,396	243,181	345,114	343,130	309,190	247,429	392,385	361,521	395,564	318,394	224,301	3,582,629

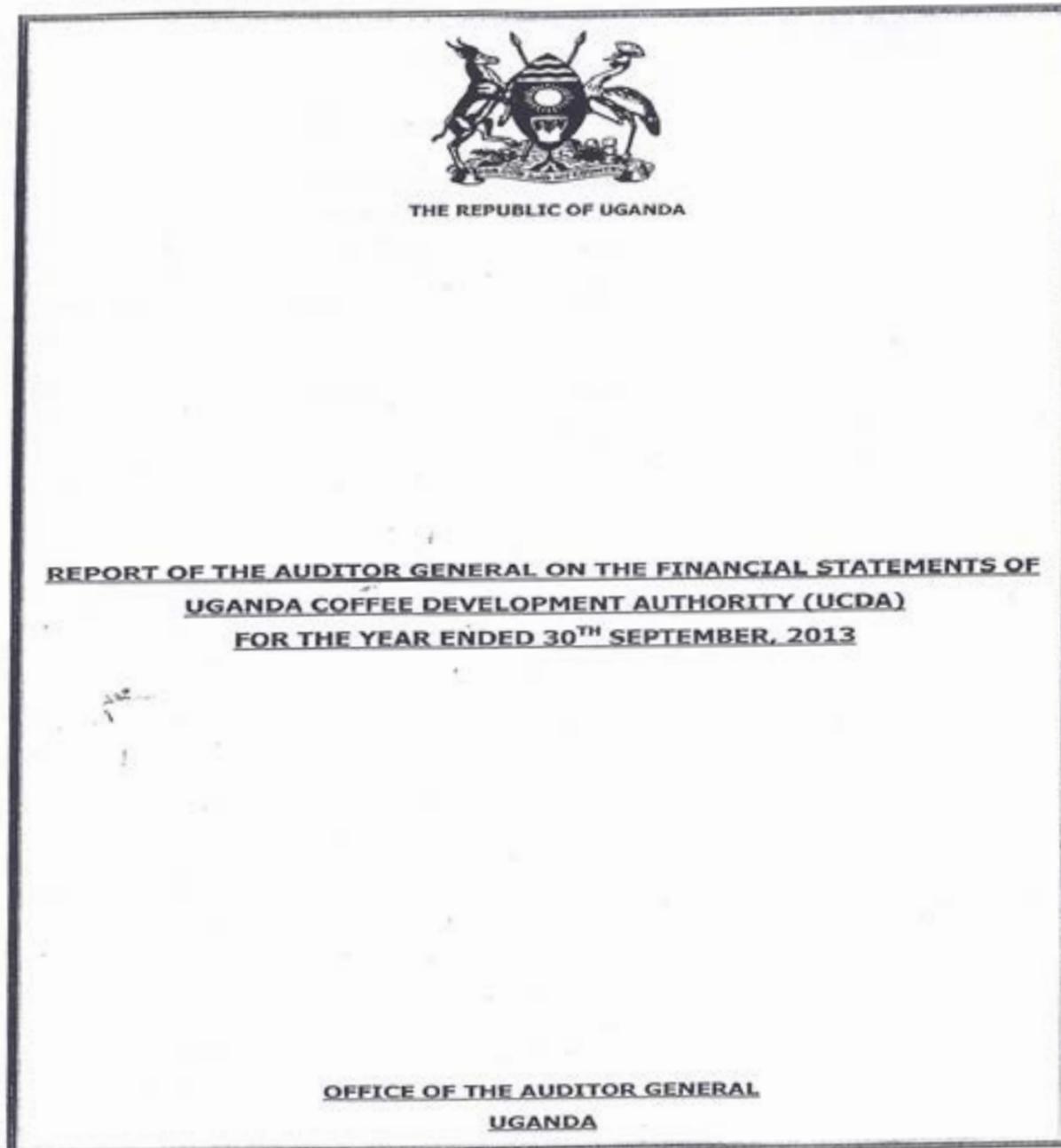
APPENDIX VI: COFFEE EXPORTS BY DESTINATION BY MONTH IN CY 2012/13

#	Destination	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
1	EU	137,260	146,671	169,314	279,984	263,458	231,881	175,032	284,940	219,482	234,437	206,521	125,470	2,474,450
2	SUDAN	20,484	38,520	37,988	26,472	28,150	14,660	16,160	49,844	73,184	53,024	51,571	43,950	454,007
3	USA	6,123	5,840	13,102	16,894	21,558	20,461	13,863	17,034	18,205	22,702	22,660	12,189	190,631
4	TUNISIA							10,494	21,564	17,986	42,582	18,386	14,802	125,814
5	INDIA	2,750	12,739	8,955	3,960	6,968	5,700	7,302	11,458	10,000	8,560	7,580	4,108	90,080
6	ECUADOR	800	9,280	3,710	3,230	2,240	960	7,668	3,800	3,800	7,234	1,900	3,230	44,052
7	MOROCCO	320	1,002	1,336	1,602	6,642	7,388	4,230	5,459	4,065	4,065	2,440	1,628	36,112
8	SWITZERLAND	659	350	2,192	1,702	334	14,490	3,158	3,664	684	970	1,534	4,500	34,237
9	SINGAPORE	2,560	1,974	1,920	320	1,280	640	3,214	1,030	1,285	1,670	320	3,654	24,241
10	RUSSIA	1,200	2,700	620	600	1,200	1,835	920	1,601	1,220	3,900	1,754	1,580	22,148
11	JAPAN	668	320	2,240	3,080	960	640	1,904	1,700	1,700	4,320	1,750	2,760	19,130
12	S. KOREA		320	306	2,240	1,280	960	1,904	1,620	1,620	2,268		1,960	18,118
13	ISRAEL				600	1,580		840			300			12,858
14	S. AFRICA	1,970	640		600	300	300	960	320	330	300		1,240	5,290
15	CHINA	620			960					320	1,930	960		5,010
16	AUSTRALIA		320							320	640			4,490
17	NEWZEALAND		2,120			1,920		360					320	3,080
18	ALGERIA													2,280
19	MIDDLE EAST	960	1,280											2,240
20	UKRAINE			654					300		1,200			2,154
21	CANADA	640			320	320	190					320		1,470
22	KENYA			360	320	334		350						1,364
23	SAUDI ARABIA	50											1,280	1,330
24	SYRIA						960	320						1,280
25	UAE				271				300	508		58		1,137
26	TAIWAN			150	300		590							1,040
27	VIETNAM	960												960
28	ASIA					668								668
29	LEBANON				645									645
30	JORDAN		640											640
31	BAHRAIN						353							353
32	SENEGAL												350	350
33	ALBANIA								330					330
34	CROATIA									320				320
35	HONGKONG				320									320
Total	178,024	224,396	243,181	345,114	343,130	309,190	247,429	392,385	361,521	395,564	318,394	224,301	224,301	3,582,629

APPENDIX VII: EXPORT PERFORMANCE BY GRADE BY MONTH IN 2012/13 -60 KILO BAGS

Grade/Month	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	August	Sept	Total
ROBUSTA													
Washed Robusta	1,680	320	690	1,620	1,620	2,000	960	7,040	2,920	5,120	1,440	320	25,730
Organic Robusta	2,740	350	710		1,630		334	350	710			650	5,494
Rob UTZ			330										2,310
SC 15 UTZ										640		350	990
SCR. 18	21,896	26,443	23,471	30,548	38,605	22,716	18,611	18,765	25,742	25,090	23,725	19,449	295,061
SCR. 17	7,502	6,560	7,778	13,696	6,860	10,649	6,604	12,710	12,547	11,920	6,484	1,336	104,346
SCR. 15	62,181	82,217	98,531	146,370	139,893	125,186	96,685	163,274	167,695	182,025	147,969	105,096	1,516,428
SCR. 14	710		330				660			360	660		2,720
SCR 13	360												360
SCR. 12	21,505	25,252	36,756	54,621	57,828	45,986	38,330	49,052	45,170	60,486	55,599	40,444	530,403
BHP 1199	11,720	12,410	6,104	10,275	10,325	19,975	13,624	25,104	20,867	17,703	14,671	7,904	170,682
OTHER ROBUSTA	6,755	11,500	5,517	5,880	14,130	12,578	16,024	11,637	8,774	15,387	8,156	10,616	126,954
ARABICA													2,781,478
ORGANIC OKORO		1,430	610	1,050	640	2,200	1,390	990		6,910	2,290		17,810
ORGANIC BUGISU			320		320	320	320						1,280
MT. ELGON	1,320		2,740	1,340	50	1,295			1,524	3,150	2,360	1,280	16,019
Mt Elgon A				1,310							320		1,630
MT. ELGON A+				2,330			960	6,270		807	2,954		12,361
BUGISU A+	640	2,420	320	3,080	4,910	4,790	1,630	30	3,120	1,080		1,440	23,460
BUGISU RFA						960			160				1,120
OKORO RFA				640	320	320							320
SIPI FALLS				640	1,920	320	100	321	235				3,536
RWENZORI	700			320									1,020
ORGANIC DRUGAR		350	360		350		350	1,050		2,100	350		4,910
BUGISU AA	1,170	4,915	8,738	13,528	10,174	9,328	13,200	10,850	9,134	6,560	3,599	4,920	96,116
BUGISU A		2,397	120	3,010	450	600	320	3,410	960	100	506	2,020	13,893
BUGISU PB		40	360	690	470	1,201		1,570		660	263		5,254
BUGISU AB	3,551	670	5,988	7,350	8,740	7,114	4,810	13,620	4,037	4,540	4,355	1,486	66,261
BUGISU CPB					2,620	5,100	2,330	1,400	2,090	320	3,110	690	17,660
BUGISU B		55							1,240		2		1,297
BUGISU C		600		1,240	320		640	640	108		336	114	1,518
MIXED ARABICA	600			1,240	640		640	640				640	4,360
WUGAR	1,670		2,250	3,140	3,400	11,920	3,900	3,276	2,827	11,790	8,640	1,280	54,093
DRUGAR	26,516	39,657	33,163	37,554	32,925	16,537	23,902	54,156	47,571	31,261	24,525	17,056	384,823

AUDITED ACCOUNTS



I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my 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, 2013 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 accounts have been kept by the organisation, 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 accounts.

John F. S. Muwanga
AUDITOR GENERAL

KAMPALA

22nd March, 2014

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my 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, 2013 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 accounts have been kept by the organisation, 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 accounts.



John F. S. Muwanga
AUDITOR GENERAL

KAMPALA

22nd March, 2014

APPENDIX IX: FINANCIAL STATEMENT OF THE YEAR ENDED 30TH SEPTEMBER 2013



Uganda Coffee
Development Authority



MINISTRY OF AGRICULTURE, ANIMAL
INDUSTRIES AND FISHERIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2013

UCDA
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Making Uganda a distinguished Producer of high value Coffee

UGANDA COFFEE DEVELOPMENT AUTHORITY

STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2013.

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.

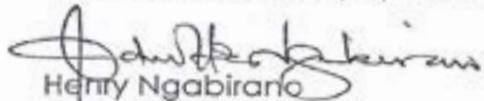
It also requires that the Authority keeps proper accounting records that disclose with accuracy the financial position of the Authority.

The Accounting Officer/Managing Director accepts the responsibility for the annual financial statement set out on pages 1 – 9 which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Financial Reporting Standards and the requirement of the company Act.

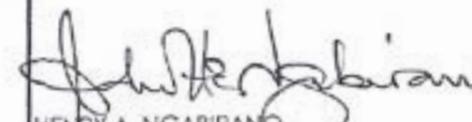
The Accounting Officer/Managing Director is of the opinion that the financial statements give a true and fair view of the financial affairs of the Authority and of its surplus for the year.

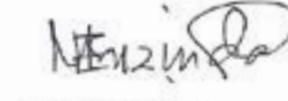
The Accounting Officer/Managing Director accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements as well as adequate systems of internal control.

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


Henry Ngabirano
Accounting Officer/Managing Director

UGANDA COFFEE DEVELOPMENT AUTHORITY STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDING 30 SEPTEMBER 2013			
	Notes	2012/2013 UG SHS	Restated 2011/2012 UG SHS
Fixed Assets(Net)	2	16,175,836,276	16,181,169,526
Investments			
Investment in Joint ventures	12	1,147,379,212	1,147,379,212
Other investments and work in progress	13	407,532,905	407,532,905
Current Assets			
Retirement Benefits Scheme	3	975,668,589	837,042,799
Short-term Fixed Deposit (Operations)	4	3,265,000,000	2,993,775,000
Cash at Bank	5	1,527,046,369	1,123,585,579
Cash at Hand	6	1,000,000	1,000,000
Debtors	7	1,177,321,373	1,423,734,283
Prepayments	8	85,497,090	158,694,472
		7,031,533,421	6,537,832,133
Less Liabilities			
Creditors: Amounts falling due with in one year	9	747,787,695	2,375,329,754
Retirement Benefits Scheme	10	975,761,739	831,112,474
		1,723,549,434	3,206,442,228
Net Current Assets		5,307,983,987	3,331,389,905
Net Assets		23,038,732,480	21,067,471,538
FUNDED BY			
Funds of the Authority	11	17,249,670,512	17,249,670,512
Retained Earnings	14	5,789,061,968	3,817,801,026
TOTAL		23,038,732,480	21,067,471,538


HENRY A. NGABIRANO
MANAGING DIRECTOR


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

UGANDA COFFEE DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR PERIOD ENDING 30 SEPTEMBER 2013

	Notes	2012/2013 U Shs	Restated 2011/2012 U Shs
REVENUE	1		
Cess 1%		11,298,853,532	9,810,705,861
Sundry income		62,100,090	65,697,526
Rent income		675,549,806	604,185,934
Export & processing licence		152,358,200	116,802,000
Interest Earned		385,780,070	128,775,000
Government Contribution		3,114,204,693	1,385,829,900
Total Operating Revenue		15,688,846,391	12,111,996,221
OPERATING EXPENSES			
Staff Costs	2	3,904,655,272	3,085,021,356
Administrative Expenses	3	1,288,909,659	954,059,167
Programme Expenses	4	8,385,931,144	8,385,842,886
Support to Coffee Organisations	5	203,916,260	154,894,005
International Obligations	6	736,260,177	679,226,421
Depreciation/ Provisions	7	614,635,744	529,653,202
Total Operating Expenses		15,134,308,256	13,788,697,037
UCDA Operating Surplus/ (Deficit)		554,538,135	(1,676,700,816)
Gain or loss on disposal of fixed assets			
Net Surplus/ (deficit)		554,538,135	(1,676,700,816)

UGANDA COFFEE DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2012/2013 U Shs	Restated 2011/2012 U Shs
Retained surplus at the beginning of the year	3,817,801,026	3,431,677,787
Prior year adjustments	1,416,722,807	62,824,055
Operating surplus/(deficit) for the year	554,538,135	(1,676,700,816)
Retained surplus at the end of the year	5,789,061,968	3,817,801,026
Prior Year Adjustments		
Year end adjustments (write off of small balances in accounts, accruals reconciliations, forex differences)	(69,259,693)	
Write back of AGI liability due to non completion of contract	(1,355,250,000)	
Write back of 2011-2012 5% general provision on bad & doubtful debts	(58,281,232)	
Top up of 2011-2012 rental income tax	24,000,689	
Adjustments on rent and cess accounts relating to prior year	42,067,429	
	(1,416,722,807)	

**UGANDA COFFEE DEVELOPMENT AUTHORITY
STATEMENT OF CASHFLOWS
FOR PERIOD ENDING 30 SEPTEMBER 2013**

	2012/2013 U. Shs	Restated 2011/2012 U. Shs
Cashflows from Operating Activities		
Net Operating (Deficit)/Surplus	554,538,135	(1,676,700,816)
Adjustments for:		
Depreciation	551,957,209	471,371,971
Provision for bad & Doubtful debts	62,678,535	58,281,231
Unrealised loss on IACO b/fwd balance	(183,346,325)	(58,868,425)
Prior year adjustments	1,398,764,807	62,824,055
Decrease in Debtors & prepayments	319,610,292	233,709,864
Decrease in Liabilities	(1,482,892,794)	1,187,335,433
Net cash flows from operating activities	1,221,309,859	277,953,313
Cashflows from Investing Activities		
Construction of Laboratory equipment/Land & Buildings	(8,975,000)	(18,771,000)
Purchase of computers	(73,998,773)	(31,067,848)
Purchase of Furniture	(630,000)	(33,397,180)
Purchase of Liquoring Equipment	(3,840,000)	(1,900,000)
Purchase of Office Equipment	(5,759,580)	(5,280,750)
Purchase of Motorcycles	-	(77,665,547)
Purchase of Espresso Machine	(31,500,000)	(34,381,089)
Purchase of Generator	(47,377,403)	-
Purchase of Motor vehicles	(374,543,313)	-
Disposal of Fixed Assets	-	-
Net Cash from Investing Activities	(546,624,069)	(202,463,414)
Net Cashflows from financing Activities	-	-
Net increase in cash and cash equivalents	674,685,790	75,489,899
Cash and cash equivalents at the beginning of the period	4,118,360,579	4,042,870,680
Cash and cash equivalents at the end of the period	4,793,046,369	4,118,360,579

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 SEPTEMBER 2013

NOTE 2: FREE ASSET SCHEDULE	Land	Buildings	Office Furniture	Computer & Peripherals	Office Equipment	Motor Vehicles	Commercial Vehicles	Liquoring Equipment	Motor Cycle	Generator	Motorcycle	Motorcycle	Motorcycle	Motorcycle	Motorcycle	TOTAL
As at 30 September 2012	4,080,000,000	121,847,100	29,277,404	257,385,745	173,788,293	177,002,197	3,403,746,135	29,888,202	157,304,176	41,207,271	132,809,200	4,527,109	28,800,000	18,192,511,119		
Additions 2012/2013	0	8,075,000	650,000	73,998,773	5,759,580	374,543,313	0	380,000	0	47,377,403	0	31,500,000	0	546,624,069		
As at 30 September 2013	4,080,000,000	129,922,100	29,927,404	331,384,518	179,547,873	551,545,510	3,403,746,135	29,888,202	157,304,176	88,584,674	132,809,200	4,527,109	28,800,000	18,739,135,188		
DEPRECIATION																
As at 30 September 2012	213,579,215	419,234,445	220,218,990	210,190,010	100,877,208	145,538,804	282,341,515	210,949,814	47,297,180	44,289,204	480,419	8,485,045	1,773,404	2,010,881,711		
As at 30 September 2013	104,719,467	231,554,47	9,181,884	39,377,814	5,408,074	61,141,373	13,151,142	5,870,409	19,413,204	7,720,073	10,661,918	8,194,375	2,385,147	551,557,239		
Depreciation for the Year	220,399,942	584,119,294	229,232,874	201,816,704	190,159,825	221,979,199	201,412,705	224,662,303	80,910,983	52,112,207	87,974,000	34,271,641	15,418,274	2,459,324,974		
As at 30 September 2013	3,759,410,938	11,671,182,708	67,113,814	81,144,824	179,149,817	204,546,413	3,416,857,293	28,017,793	137,890,972	56,567,401	122,147,282	4,332,734	26,414,853	16,280,303,974		

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDING 30 SEPTEMBER 2013

	2012/2013	Restated 2011/2012
3. RETIREMENT BENEFITS SCHEME		
Term Fixed Deposits	810,000,000	730,000,000
Bank Chartered Bank (Staff Pension Funds collection Acc)	165,448,589	107,042,799
	975,448,589	837,042,799
4. SHORT TERM FIXED DEPOSITS		
ations	3,745,000,000	2,993,775,000
	3,745,000,000	2,993,775,000
5. CASH AT BANK		
ic Bank City Branch A/C 0140007511801	136,260,962	626,346,807
ic Bank City Branch A/C 0140007222101	364,834,120	139,546,214
ic Bank Chartered Bank (Salary Account)	636,911,264	305,541,926
ic Bank Ltd. (Rent Account)	153,618,042	166,449,353
ing Finance Company of Uganda Ltd	90,000	183,374
ic Bank	54,366,355	31,050,234
ic Bank Dollar A/C	180,964,576	4,347,641
Govt lending	-	-
	1,527,044,349	1,123,585,579
6. CASH AT HAND		
	1,000,000	1,000,000
7. DEBTORS		
advances	43,742,904	
Vehicle Loan scheme	263,886,315	227,431,219
receivable	46,537,254	
Provision for bad and doubtful debt for rent	(2,227,843)	43,095,642
debts	847,853,434	
Provision for bad and doubtful debt for cost	(42,292,672)	1,044,247,734
debts	17,958,000	17,958,000
ic provision for bad & doubtful debts (PHDU)	(17,958,000)	
	1,177,321,375	1,483,734,283
8. PREPAYMENTS		
ation-informa\$3438	9,529,070	
mainshabumALugog	858,000	
ffo@CCL329,000	75,110,000	
Regional Offices		17,555,848
		14,588,000
		124,550,604
(OP,Subscriptions, & Parking stickers,university,Avi,etc)		
	85,497,070	186,694,472
9. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
id Export Licence	13,500,000	7,500,000
id Rent	49,047,812	26,046,134
tyable	-	(1)
ayable	-	(9)
in	642,164,108	2,321,460,034
ervice tax	8,862,500	3,632,500
ing tax	3,022,495	2,145,158
	1,494,349	192,544
Garbage	10,824,740	10,399,707
Account (ACRN)	14,303,800	
	4,537,991	3,933,647
	747,787,495	2,375,329,754
10. RETIREMENT BENEFIT SCHEME		
	975,741,739	831,112,474
11. FUNDS OF THE AUTHORITY		
al Reserves	2,214,750,000	2,216,750,000
Counter Funding	266,315,261	266,315,261
ation Reserve	11,507,934,349	11,507,934,349
unding	746,529,785	746,529,785
Funding	847,800,000	847,800,000
Coffee Seedlings	1,664,341,117	1,664,341,117
	17,249,470,512	17,249,470,512
12. INVESTMENT IN JOINT VENTURES		
ent in China	276,145,000	276,145,000
ent in Egypt	118,380,000	118,380,000
ent in Denmark	752,834,212	752,834,212
	1,147,359,212	1,147,359,212
13. OTHER INVESTMENTS		
rocessing Machines	417,407,905	417,407,905
Investments	(9,075,000)	(9,075,000)
	407,532,905	407,532,905

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2013

	2012/2013	2011/2012
1. REVENUE		
Cost US	11,298,653,532	9,810,705,861
Rent Income	675,549,804	604,185,934
Interest Income	385,780,070	128,773,000
Export & processing Income	152,358,200	116,802,000
Sundry Income	62,100,090	65,677,526
Government Contribution	3,114,204,693	1,385,829,900
	15,488,644,391	12,111,996,221
2. OPERATIONAL EXPENSES		
2.1 Staff Costs		
Salaries and Wages	2,299,394,552	1,920,783,495
Performance Allowance	14,685,000	11,225,000
Public Holiday Expenses	27,932,200	23,568,400
Leave Allowance	280,072,519	236,673,336
N.S.S.F. Contribution	259,247,125	218,109,854
General Staff Welfare	32,741,300	23,332,980
Welfare Costs (Funerals)	9,000,000	8,870,000
Retirement Benefit Scheme	341,515,729	277,453,500
Contract Gratuity	164,996,418	47,124,917
Staff training	79,211,209	42,512,514
Outsourcing Allowance	79,392,000	17,999,000
Medical Insurance	198,681,220	161,436,538
Fuel loan running/refund	112,564,000	91,768,226
Acting Allowance	-	2,563,076
	3,904,655,272	3,085,021,354
2.2 Administrative Expenses		
Maintenance and Consumables		
Repairs - Buildings	171,183,221	32,193,316
Repairs - Office Equipment	24,252,127	15,704,985
Other Services/Office Cleaning	44,426,800	48,468,157
Repair & Maintenance - Cars	28,827,300	26,115,024
Motor vehicle fuel	70,774,614	71,534,837
M & S - Auto Supplies	16,673,560	19,877,360
Vehicle Registration/Licences	3,546,000	4,134,000
	359,683,622	218,027,649
Establishment expenses		
Telephones, Fax Bills	53,632,947	51,626,294
Postage, and Delivery	6,482,526	7,224,300
Professional Fees	42,139,085	29,555,600
Donations/Contributions	4,000,000	9,300,000
Insurance	84,949,395	53,688,971
Utilities - Water	14,778,134	19,280,962
Utilities - Electricity	48,011,944	45,828,380
Bank Charges/Interest Charges	25,382,528	37,603,809
Property Rates and taxes	26,919,343	24,576,027
Printing & Stationery	48,183,987	38,611,295
News Papers/Periodicals/subscription	33,863,550	26,724,780
Director Expenses	8,062,260	99,403,028
Office Security	91,604,508	52,774,733
Internal Travel Costs	74,179,076	22,193,195
Legal Fees	21,600,000	28,181,800
Foreign Exchange Differences	39,435,425	(7,157,177)
Rental Income tax	139,024,220	100,852,324
Brochures, Corporate gifts & cards	25,975,899	27,043,625
Publicity & Advertisement	140,931,220	68,719,552
	929,226,037	736,031,498
	1,288,909,657	954,059,167

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2013

	2012/2013 U Shs	2011/2012 U Shs
1 REVENUE		
Cash FE	11,298,853,532	9,810,705,861
Rent Income	675,549,806	604,185,934
Interest Income	385,780,070	128,775,000
Export & processing licence	152,358,200	116,802,000
Sundry Income	62,100,090	65,697,526
Government Contribution	3,114,204,693	1,385,829,900
	15,488,846,391	12,111,996,221
OPERATIONAL EXPENSES		
2 Staff Costs		
Salaries and Wages	2,299,396,552	1,920,783,495
Performance Allowance	14,685,000	11,225,000
Public Holiday Expenses	32,952,200	25,368,400
Leave Allowance	280,072,519	236,673,536
N.S.S.F. Contribution	259,247,125	218,109,854
General Staff Welfare	32,741,300	23,332,960
Welfare Costs (funerals)	9,000,000	8,870,000
Retirement Benefit Scheme	341,515,729	277,453,520
Contract Gratuity	164,996,418	47,124,917
Staff training	79,211,209	42,512,514
Outsource Allowance	79,392,000	17,999,000
Medical Insurance	198,881,220	161,436,838
Fuel town running/refund	112,564,000	91,768,226
Acting Allowance		2,363,076
	3,904,655,272	3,085,021,354
3 Administrative Expenses		
Maintenance and Consumables		
Repairs - Buildings	171,183,221	32,193,316
Repairs - Office Equipment	24,252,127	15,704,985
Other Services/Office Cleaning	44,426,800	48,468,152
Repair & Maintenance - Cars	28,827,300	26,115,024
Motor vehicle fuel	70,774,614	71,534,832
M & S - Auto Supplies	16,673,560	19,877,360
Vehicle Registration/Licences	3,546,000	4,134,000
	359,683,622	218,027,669
Establishment expenses		
Telephone, Fax Bills	53,632,947	51,626,294
Postage, and Delivery	6,482,526	7,224,300
Professional Fees	42,159,085	29,555,600
Donations/Contributions	4,000,000	9,300,000
Insurance	84,949,395	53,688,971
Utilities - Water	14,778,134	19,280,962
Utilities - Electricity	48,011,944	45,828,380
Bank Charges/Interest Charges	25,382,528	37,603,809
Property Rates and taxes	26,919,343	24,576,027
Printing & Stationery	48,183,987	38,611,295
News Papers/Periodicals/subscription	33,863,550	26,724,780
Director Expenses	8,062,250	99,403,028
Office Security	91,604,508	52,774,733
Internal Travel Costs	74,179,076	22,193,195
Legal Fees	21,600,000	28,181,800
Foreign Exchange Differences	39,435,425	(7,157,177)
Rental Income tax	139,024,220	100,852,324
Brochures, Corporate shirts& cards	25,975,899	27,043,625
Publicity & Advertisement	140,981,220	68,719,552
	929,226,037	734,031,498
	1,288,909,659	954,059,167