

Uganda Coffee Development Authority

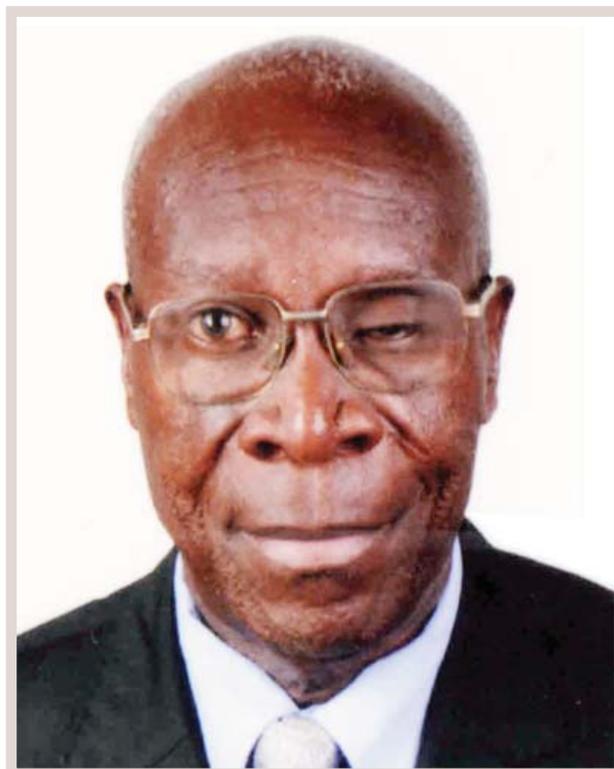
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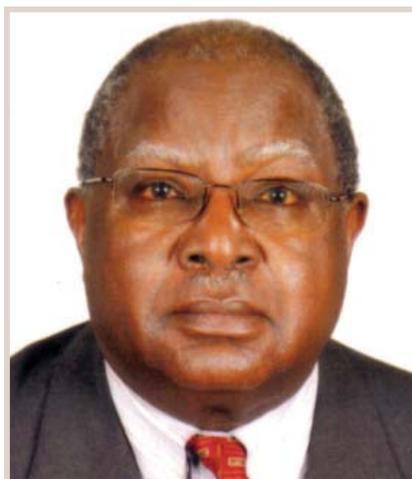


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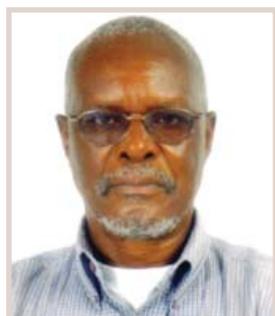


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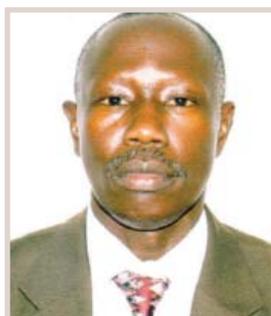
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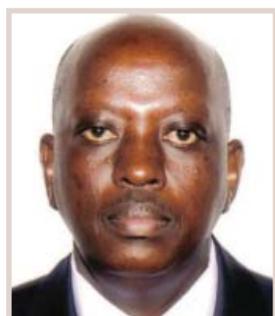
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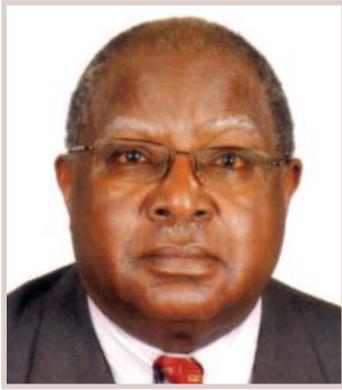
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FOREWORD



In all aspects, the coffee year 2010/11 ended with very good performance as Coffee exports stood at 3,149,423 bags fetching a value of US\$ 448.89 million (the highest recorded revenue since 1977), a rise of 18% and 68% in quantity and value over the last coffee year. This resulted into an increase in incomes of the players along the coffee value chain and realization of additional resources for the subsector programmes especially for coffee development and research.

The tremendous gains are attributed to the protracted coffee production campaign, good agricultural practices being adopted by the farmers, increasing world demand and favourable weather during the year. The industry is gradually recovering from the hard hitting Coffee Wilt Disease which gravely affected production. In a bid to ensure sustainability recovery, more attention was accorded to the multiplication of CWDr materials using tissue culture technologies and nodal cuttings method. Coffee research has continued to screen for more CWDr lines as well as preserving the existing germplasm

Improvement in quality has been registered at farm level that has translated into increase in farm gate prices and household incomes. Value addition at farm level continues to gain pace, an opportunity that should be harnessed for more earnings more from the coffee volumes particularly in certified coffees.

Domestic Coffee Consumption has also continued to increase partly as a result of capacity building and support to coffee roasters and brewers and also through promotional activities. This is positively reflected by an increase in cafés, restaurants and hotels serving coffee as well as the range of brands in various supermarkets and retail outlets throughout the country. The quality served at some of these outlets is outstanding.

The rising global demand for specialty and sustainable coffees has attracted attention to ensure that Uganda strategically positions itself in these niche markets. Robusta coffee protocols for specialty markets have been developed and presented to the International Coffee Council for adoption and certification of R Grades is in progress.

UCDA continued to coordinate the review of the subsector policies and development of the National Coffee Policy which will focus on guiding and streamlining activities of the subsector with particular emphasis on farmer empowerment. I appeal to all stakeholders to rise to the challenge of the need for combined efforts in implementation of the policy so that maximum benefits accrue to all players.

Finally, I thank my fellow Board members, UCDA Management and Staff and the entire coffee industry for the support rendered to the coffee subsector. I, therefore, present this report that demonstrates unreserved commitment to the development and socio-economic transformation of the coffee subsector and the national economy.

I do urge you to read this report in order to keep abreast with the developments of the coffee subsector. I also invite you to regularly visit the UCDA website: www.ugandacoffee.org

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

ACRONYMS / ABBREVIATIONS

4Cs	- Common Code for Coffee Communities	MoLG	- Ministry of Local Government
ABC	- Africa Barista Championship	LEAD	- Livelihood and Enterprises for Agricultural Development
BCU	- Bugisu Co-operative Union	NARO	- National Agriculture Research Organization
BOD	- Board of Directors	NES	- National Export Strategy
BCTB	- Black Coffee Twig Borer	NSSF	- National Social Security Fund
CABI	- Centre for Agriculture & Bioscience International	NTAE	- Non-Traditional Agricultural Exports
CBD	- Coffee Berry Disease	NUCAFE	- Nation Union of Coffee Agribusiness and Farm Enterprises
CBN	- Community Based Nurseries	OT	- Out-turn
CFC	- Common Fund for Commodities	PFA	- Prosperity For All
CLR	- Coffee Leaf Rust	SCAA	- Specialty Coffee Association of America
COREC	- Coffee Research Centre	SCAE	- Speciality Coffee Association of Europe
CQI	- Coffee Quality Institute, USA	SCAJ	- Specialty Coffee Association of Japan
CWD	- Coffee Wilt Disease	SRCC	- Sub-Regional Coffee Co-ordinators
DANIDA	- Danish International Development Agency	UCDA	- Uganda Coffee Development Authority
DFI	- District Farm Institute	UCTF	- Uganda Coffee Trade Federation
DSIP	- Development Strategic Investment Plan	UMA	- Uganda Manufacturers Association
EAFCA	- East African Fine Coffees Association	UNAA	- Ugandan North American Association
EU	- European Union	UNADA	- Uganda National Agro-Input Dealers Association
FAQ	- Fair Average Quality	USAID	- United States Agency for International Development
GAPs	- Good Agricultural; Practices	USDA	- United States Development of Agriculture
GHPs	- Good Handling Practices	WBC	- World Barista Championship
GMPs	- Good Manufacturing Practices	WTO	- World Trade Organization
IACO	- Inter-Africa Coffee Organization		
ICA	- International Coffee Agreement		
ICC	- International Coffee Council		
ICO	- International Coffee Organization		
IITA	- International Institute of Tropical Agriculture		
IPM	- Integrated Pest Management		
KARI	- Kawanda Agricultural Research Institute		
MAAIF	- Ministry of Agriculture, Animal Industry & Fisheries		
MC	- Moisture Content		
MoFPED	- Ministry of Finance, Planning and Economic Development		

EXECUTIVE SUMMARY

Overview:

The Uganda Coffee Development Authority (UCDA) was established by statutory mandate to promote and oversee the development of the entire coffee industry through research, quality assurance, improved marketing, and providing for other matters connected therewith. UCDA's Vision is to make Uganda a distinguished producer of high value coffee

UCDA has continued to focus on promoting production and marketing of coffee; supporting the management of pests and diseases; ensuring quality improvement of coffee along the value chain; promoting value addition and domestic coffee consumption as well as harmonizing activities of the coffee subsector associations in line with industry goals and policies.

Strategic Objectives:

In line with government policy framework stipulated in the NDP and DSIP, UCDA's emphasis for the CY 2010/11 was placed on the following:

1. Finalization of the National Coffee Policy to guide and streamline the subsector.
2. Production of planting material; particularly the 7 CWD resistant lines using tissue culture and nodal cuttings.
3. Supporting Coffee Research and development.
4. Promotion of Domestic Coffee Consumption.
5. Promotion of coffee replanting and rehabilitation.
6. Supporting coffee development in Northern Uganda.
7. Quality improvement through Technical Extension services and collaboration with stakeholders.
8. Quality assurance and Value addition.
9. Organizational and Human Resource review
10. Efficient utilization of assets and resources.

Achievements:

The major achievements registered during the year included the following:

- 3,149,423 60-Kilogramme bags (approx 188,965.4 metric tonnes) worth US \$ 448.89 million were exported. 3,266,565 bags were procured at the export grading level. 380 players were registered at various post-harvest levels of the value chain. The weighted average price at export level stood at \$ 2.38 per kilo, 42.5% up compared to \$1.67 in 2009/10. This was in response to the global supply-demand dynamics.
- Quality improvement programs were implemented through training in GHPs and GMPs. Through quality assurance, an increase in clean cups was registered with all organic coffee recording the best cup. Robusta coffee protocols were formulated with support from USAID-LEAD project and CQI-USA. More wet processing installations were registered both Arabica and Robusta growing areas. Domestic coffee consumption has been promoted through participation in local trade fairs and exhibitions. Promotion of coffee on the World market was upheld through participation in international trade fairs, exhibitions and maintaining promotional centres in China and Egypt.
- Coffee production programmes were intensified with the aim of increasing coffee production through new planting and improving productivity of the old trees. Over 12

million seedlings were distributed to farmers and farmer groups. Support was given nursery operators to establish mother bushes in an effort to speed up the mass multiplication of the 7 Coffee Wilt Disease Resistant materials. Through farm field school model, farmers were able share best practice experiences.

- In Research, COREC propagated the 7 elite CWD resistant Robusta coffee varieties and managed to harvest and plant 3,500 cuttings under cages in the Kawanda coffee nursery and 2,267 (64.8%) of them successfully rooted. 1,943 were given to nursery operators
- The black coffee twig borer (BCTB) continued to spread to new areas in central and south-western Uganda and trials were conducted at Kituza on 6 selected insecticides in order to identify suitable insecticides for protection of coffee nursery materials.
- UCDA completed a Human Resource review exercise to improve operational process, efficiency and innovation. Staff were trained in new performance measurement tool and other programs beneficial to the development of the organization. The Board also held a brainstorming workshop on finding solutions to the current challenges facing the coffee subsector.

Challenges:

- In spite of the above mentioned achievements, the subsector continued to experience slow pace propagation CWDr lines, generation of seedlings and containment of Pests and diseases. There is also limited capacity to rehabilitate aged trees and low adaptation climatic changes. The subsector continues to prospect for establishment of a soluble plant which involves high costs of investment.

Chapter One

Coffee Market Performance

1.0 Introduction:

During the coffee year 2010/11, a total of 3,266,565 bags comprising of 2,633,380 bags of Robusta and 644,185 bag of Arabica were procured at the export grading factories. A total of 3.15 million 60-Kilogramme bags (188,965 tonnes) of coffee worth US \$ 448.89 million were exported to various destinations. This comprised 2.48 m bags (149,041 tonnes) of Robusta valued at \$ 294.6 m and 0.67 m bags (39,925 tonnes) of Arabica worth \$ 154.3 m. European Union (EU) countries were the main destinations of Uganda coffee, accounting for 75% of the total exports up from 73% recorded in the previous year. These were followed by Sudan with a market share of 14% down from a share of 19% a year ago.

The weighted average price at export level stood at \$ 2.38 per kilo, 42.5% up compared to \$1.67 in 2009/10. This was in response to the global supply-demand dynamics.

1.1 Coffee Procurement

Table 1.1 represents marketed coffee production (FAQ and Arabica parchment) to the export grading factories. There was an overall increase of 12.9% in quantity from 2,893,876 bags (173,632 tonnes) to 3,266,565 bags (195,994 tonnes), largely due to Robusta that went up by 26.3% over last year. However, Arabica deliveries dropped by 21.2%.

Table 1.1 Coffee Procurement by type: 2006/07 – 2010/11 in 60-kilo bags

Coffee Year	Coffee Type		TOTAL	%-Age Change
	Robusta	Arabica		Over Previous yr.
Average	2,523,351	639,754	3,163,105	-
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
2007/08	2,982,339	507,917	3,490,256	20.13
2006/07	2,325,960	579,321	2,905,281	33.56

The good performance in Robusta was attributed to favourable weather and GAPs in response to the attractive farm gate prices. However, Arabica production was affected by the prevalence of Coffee Leaf Rust and Coffee Berry Diseases.

Table 1.2 shows monthly coffee receipts at the export grading factories in the coffee year 2010/11 in comparison to 2009/10.

Table 1.2 Comparative Procurement Figures - 60-Kilo Bags

MONTH	2010/11			2009/10		
	Robusta	Arabica	Total	Robusta	Arabica	Total
TOTAL	2,622,380	644,185	3,266,565	2,076,557	817,319	2,893,876
OCT.	120,412	68,529	188,941	165,911	60,500	226,411
NOV.	212,477	69,323	281,800	206,504	50,201	256,705
DEC.	230,428	45,311	275,739	225,637	65,123	290,760
QTR – 1	563,317	183,163	746,480	598,052	175,824	773,876
JAN.	165,114	52,300	217,414	200,454	65,001	265,455
FEB.	160,006	53,107	213,113	193,502	75,008	268,510
MAR	155,001	52,176	207,177	152,103	76,159	228,262
QTR – 2	480,121	157,583	637,704	546,059	216,168	762,227
APR.	165,002	45,089	210,091	92,018	75,001	167,019
MAY	200,444	49,150	249,594	121,513	89,523	211,036
JUN.	321,793	53,087	367,100	179,494	75,096	254,590
QTR – 3	687,239	147,326	826,785	393,025	239,620	632,645
JUL	360,901	54,104	407,225	204,100	82,132	286,232
AUG.	286,903	52,009	332,132	180,121	56,046	236,167
SEPT	243,899	50,000	287,772	155,200	47,529	202,729
QTR – 4	891,703	156,113	1,027,129	539,421	185,707	725,128

1.2 Internal Marketing

1.2.1 Registered industry players at post-harvest

As indicated in table 1.3, the number of registered industry players at the various post harvest levels during the year was 380 including: 40 Exporters compared to 42 the previous year, 300 primary processors, 8 roasters and 32 export grading facilities. Seven (7) exporters were new (Armajaro Uganda Ltd., Bridge Commodities, Tata Coffee Ltd, Risala (U) Ltd., Gatto Estates (U) Ltd., Qualicoff (U) Ltd., and Three Farmers Ltd.)

Table 1.3: Registered subsector players at Post-harvest Value Addition Level

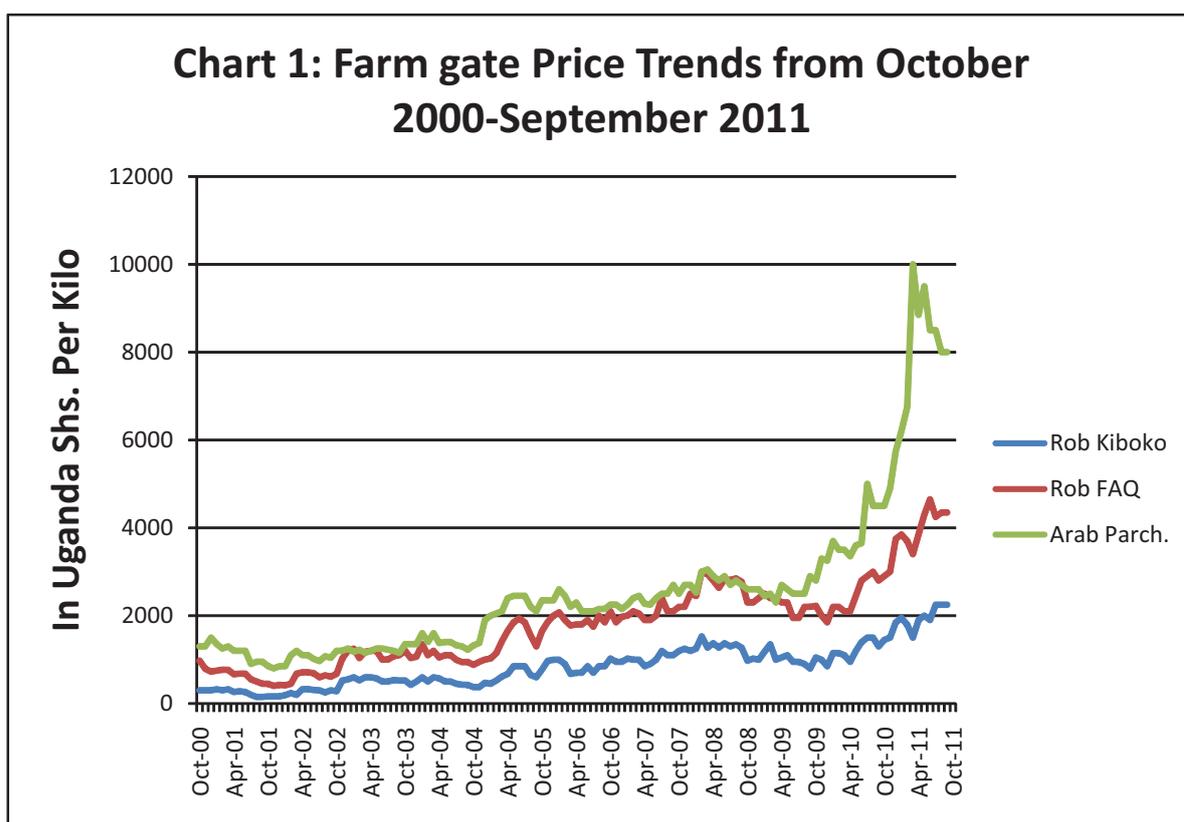
Industry Players	2010/11	2009/10	2008/09	2007/08
Exporters	40	42	39	30
Export grading plants	32	19	19	19
Primary Processors	300	300	301	271
Roasters	8	8	7	4
Total	380	369	366	324

1.2.2 Local Price Movements

The farm-gate prices averaged Shs. 1,880 for a kilogramme of Kiboko (dry Robusta cherries); Shs 3,860 for Fair Average Quality (FAQ); and Shs. 7,370 for Arabica parchment as illustrated in Table 1.4. Monthly average price for Arabica parchment reached an 11-year high of Sh. 10,000/= per kilo (as shown in Chart 1) while the highest price for Robusta Kiboko (dry unprocessed) was Sh. 2,250 per kilo.

Table 1.4: Realized Monthly Average Farm-gate Prices – Shs/Kilo

2010/11	Robusta		Arabica
	Kiboko	FAQ	Parchment
Oct - 2010	1,450	2,900	4,500
Nov	1,500	3,000	4,900
Dec	1,850	3,750	5,750
Jan - 2011	1,950	3,850	6,200
Feb	1,800	3,700	6,750
Mar	1,500	3,400	10,000
Apr	1,900	3,850	8,850
May - 2011	2,000	4,300	8,500
Jun	1,900	4,650	8,500
Jul	2,250	4,250	8,500
Aug	2,250	4,350	8,000
Sep - 2011	2,250	4,350	8,000
Average	1,880	3,860	7,370



1.3 Closing Stocks

Table 1.5 shows Uganda's coffee balance as at the close of the year Oct/Sept 2010/11. Just below 430,000 bags of coffee were in stock at various levels within the supply chain; 85% of which was with exporters in various grades. This constituted 350,427 bags of Robusta and 74,953 bags of Arabica.

Table 1.5: Closing Stocks as on September 30, 2011

Oct 2009-Sep 2010	Coffee Type – 60Kg Bags		Total
	Robusta	Arabica	
Opening Stock	371,180	141,058	512,238
Total Production	2,622,380	644,185	3,266,565
Availability	2,993,560	785,243	3,778,803
Domestic Coffee Consumption	159,120	44,880	204,000
Exports	2,484,013	665,410	3,149,423
Closing Stock	350,427	74,953	425,650

1.4 External Market

1.4.1 Coffee Export Performance

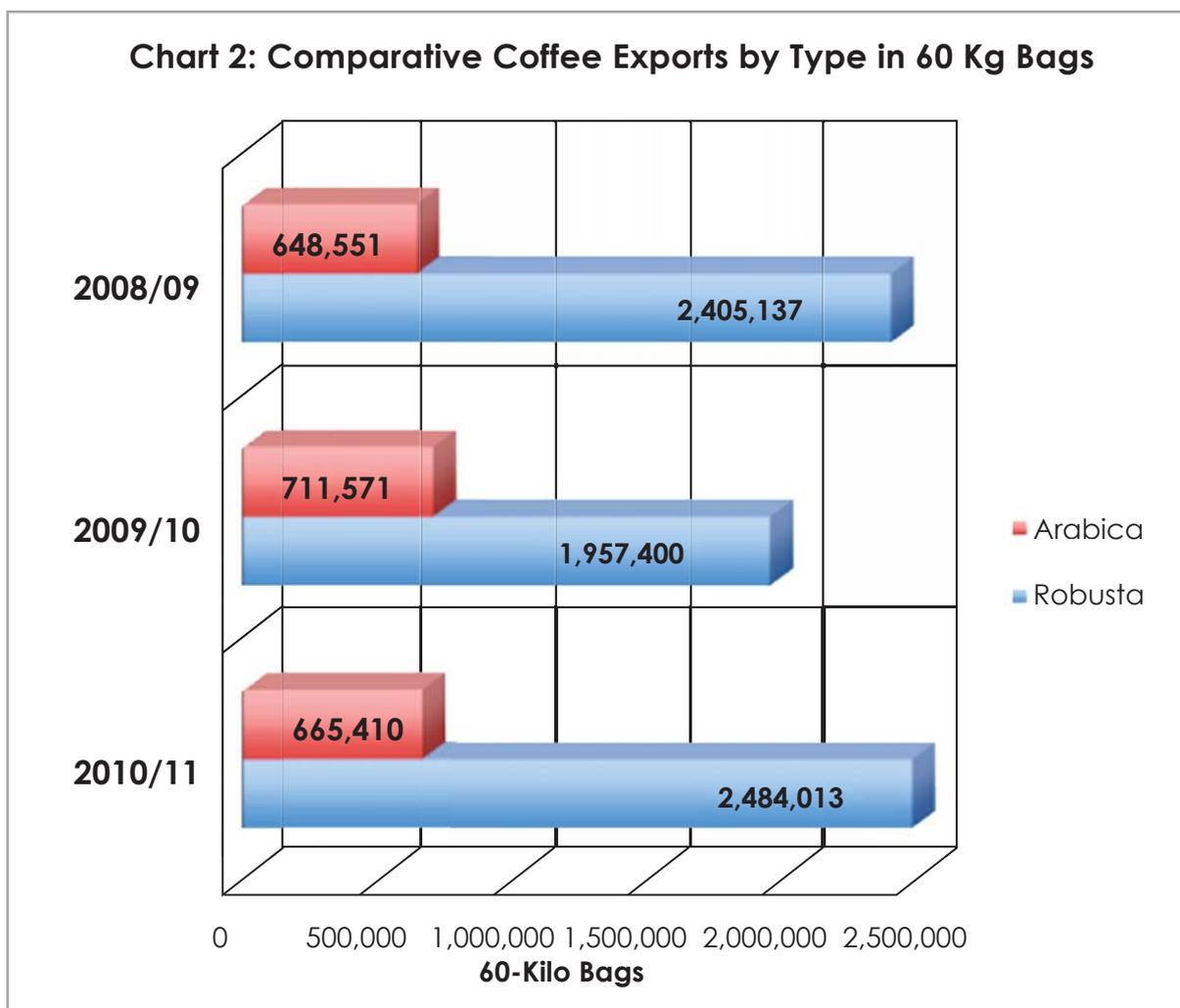
Table 1.6 represents Uganda's coffee export performance on a monthly basis in terms of quantity and value during the year as compared to the previous year.

Annual coffee exports amounted to 3,149,423 60-Kilogramme bags (approx 188,965.4 metric tonnes) worth US \$ 448.89 million, representing increases of 18% and 68% in quantity and value respectively over the last year.

Table 1.6 Monthly Coffee Exports in 60-kilo bags and US \$

MONTHS	2010/11		2009/10		% -Age Change	
	Qty	Value \$	Qty	Value \$	Qty	Value \$
G/ Total	3,149,423	448,890,668	2,668,971	267,129,190	18.0	68.0
October	188,012	23,300,353	199,011	18,672,578	-5.5	24.8
November	266,726	32,206,730	233,511	21,963,202	14.2	46.6
December	237,747	28,691,532	272,755	25,698,474	-12.8	11.6
Qtr - 1	692,485	84,198,615	705,277	66,334,254	-1.8	26.9
January	215,180	29,981,006	263,014	25,146,130	-18.2	19.2
February	193,965	27,888,920	262,793	26,277,806	-26.2	6.1
March	228,579	34,839,722	219,684	21,965,391	4.0	58.6
Qtr - 2	637,724	92,709,648	745,491	73,389,327	-14.5	26.3
April	175,540	26,997,877	152,640	15,546,559	15.0	73.7
May	247,460	39,255,651	177,380	18,233,343	39.5	115.3
June	370,924	58,221,591	234,956	23,021,102	57.9	152.9
Qtr - 3	793,924	124,475,119	564,976	56,801,004	40.5	119.1
July	376,173	54,429,413	266,215	27,945,510	41.3	94.8
August	308,739	44,252,599	217,284	23,701,754	42.1	86.7
September	340,378	48,825,274	169,728	18,957,343	100.5	157.6
Qtr - 4	1,025,290	147,507,286	653,227	70,604,607	57.0	108.9

Chart 2 illustrates annual quantities exported in terms of coffee type – Robusta and Arabica in bags. The highest exports and value were realised in the fourth quarter when just over one million 60-kilo bags worth US\$ 148 million were exported compared to the second quarter the previous year when only 746,000 bags worth US\$ 74 million were exported.



The recovery in Robusta coffee quantities besides the supportive weather conditions is also explained by a decline in Coffee Wilt Disease (CWD) in virtually all areas as per the field reports; and more coffee planted under the Coffee Production Campaign continuing to come into production. There was a decrease in Arabica exports compared to the previous year attributed to the bicyclical nature of Arabica and prevalence of the Coffee Leaf Rust in Arabica growing areas.

1.4.2 Coffee Exports by Type and Grade

Table 1.7 shows coffee exports by type (Robusta and Arabica), grade and realised prices for each grade during the year as compared to last year.

The weighted average price for the year stood at \$ 2.38 per kilogramme, 42.5% up from \$ 1.67 recorded in 2009/10. The rise in price was in tandem with what obtained on the global market, supply tightness. The increase in prices was experienced by both Arabica and Robusta – Arabica prices averaged \$ 3.86/Kilogramme, up from \$ 2.42 recorded a year ago; and that of Robusta stood at \$ 1.98 up from \$ 1.39.

Table 1.7 Comparative Coffee Export Grades & unit Prices

Coffee Type/Grade	2010/11			2009/10		
	Quantity	Value	Unit/Kg	Quantity	Value	Unit/Kg
TOTAL	3,149,423	448,890,669	2.38	2,668,971	267,129,190	1.67
ROBUSTA	2,484,013	294,606,045	1.98	1,957,400	163,800,481	1.39
Organic Robusta	5,480	722,621	2.20	10,264	1,039,662	1.69
Washed Robusta	14,247	1,887,414	2.21	19,709	2,222,351	1.88
Screen 18	257,530	33,092,691	2.14	185,373	16,866,223	1.52
Screen 17	99,711	13,077,733	2.19	80,037	7,042,204	1.47
Screen 15	1,277,443	157,922,775	2.06	1,039,669	89,918,937	1.44
Screen 14	1,750	203,705	1.94	11,070	925,497	1.39
Screen 13	25,572	2,773,008	1.81	33,806	2,790,390	1.38
Screen 12	473,212	56,394,486	1.99	377,022	30,072,962	1.33
BHP 1199	158,942	12,817,344	1.34	115,583	7,028,194	1.01
Mixed Robusta	170,126	15,714,268	1.54	84,867	5,894,060	1.16
ARABICA	665,410	154,284,625	3.86	711,571	103,328,709	2.42
Organic Okoro	19,408	5,659,200	4.86	10,585	1,823,134	2.87
Organic Bugisu	18,740	5,528,872	4.92	13,500	2,461,703	3.04
Bugisu AA	95,065	25,723,971	4.51	86,497	14,414,366	2.78
Bugisu A	17,975	5,119,688	4.75	22,528	3,764,371	2.78
Bugisu PB	3,034	874,897	4.81	3,121	500,232	2.67
Bugisu AB	58,525	15,057,191	4.29	73,670	11,985,918	2.71
Bugisu CPB	6,771	1,563,950	3.85	15,847	2,580,098	2.71
Bugisu B	257	69,049	4.48	37	5,397	2.43
Bugisu C	1,378	312,211	3.78	1,402	167,792	2.42
Wugar	33,084	8,585,703	4.33	51,388	8,911,986	2.42
Drugar	310,073	73,692,520	3.96	333,912	45,876,067	2.29
Mixed Arabica	101,100	12,097,372	2.01	88,404	9,160,591	1.73

1.4.3 Realized prices at export level

Chart 3 below shows the trend of realized prices at export level for both Robusta and Arabica in the two years – Oct 2009 to Sept 2011. The trend has been positive throughout the period, a rejoinder to the fundamentals and technical factors in the world market but for the technical correction in May 2011. Fundamentally, supply-tightness continued to prevail especially for Arabica because of poor harvests in Colombia, which coincided with Brazil's off-cycle. This explains the widening price differential between Arabica and Robusta.

On the demand side, global consumption continued to grow at 2.4% per annum, thus the said supply-tightness.

**Chart 3: Monthly Realized Unit Export Price Trend
Oct 2009-Sep 2011**



Table 1.8 gives the monthly weighted average prices for each type of coffee – Arabica and Robusta – on a comparative basis. The annual weighted average for coffee year 2010/11 was US\$ 2.38 per kilo (Arabica-3.86 and Robusta-1.98). The highest monthly weighted average price was realized in May 2011 when it reached US\$ 2.64 per kilo. The highest weighted monthly average prices for Arabica and Robusta were US\$ 4.55 and \$ 2.24 realized in May and June 2011, correspondingly.

Table 1.8: Monthly Weighted Average Prices – US \$/Kilo

Coffee Yr	2010/11			2009/10		
	Arabica	Robusta	Avg	Arabica	Robusta	Avg
Average	3.86	1.98	2.38	2.43	1.39	1.67
Oct	3.00	1.51	2.07	2.19	1.34	1.56
Nov	3.21	1.61	2.01	2.39	1.35	1.57
Dec	3.35	1.65	2.01	2.40	1.32	1.57
Jan	3.76	1.82	2.32	2.55	1.35	1.59
Feb	3.90	1.86	2.40	2.47	1.32	1.67
Mar	4.15	2.01	2.54	2.34	1.33	1.67
Apr	4.04	2.04	2.56	2.28	1.31	1.70
May	4.55	2.11	2.64	2.22	1.37	1.71
Jun	4.42	2.24	2.62	2.28	1.41	1.63
Jul	4.15	2.19	2.41	2.59	1.50	1.72
Aug	3.99	2.07	2.39	2.70	1.57	1.82
Sep	4.15	2.02	2.39	2.79	1.52	

1.4.4 Export Performance by Individual Companies

Table 1.9 gives coffee exports by company in terms of individual and cumulative market shares during the year.

A total of 40 exporting companies were registered during the year but only 35 were able to perform. The best 10 companies had a market share of 80% this year down from 84% in 2009/10 and 90 percent in 2008/09, a reflection of increased competition at this level.

Ugacof (U) Ltd had the highest market share of 15 percent up from 13% of last year, followed by Kyagalanyi Coffee Ltd with 12 percent (15%); Kawacom- 10 percent (12%); Olam (U) Ltd 9 percent (6%); Savannah Commodities-7 percent (8%) and LD Commodities - 7 percent (1%);

Lakeland Holdings – 6 per cent (3%); Kampala Domestic Store – 5 percent (6%); Ibero (U) Ltd- 5 percent (7%) and Great Lakes 5 percent (8%). The figures in parenthesis represent the company's market share in the previous coffee year.

Table 1.9: Coffee Exports by Individual Companies in Oct/Sept 2011 Coffee Year

Exporting Company		Quantity – 60 kg Bags			% -age Market Share	
		Robusta	Arabica	Total	Individual	Cumulative
	Grand Total	2,484,013	665,410	3,149,423	100.00	
1	Ugacof (U) Ltd	445,671	26,639	472,310	15.00	15.00
2	Kyagalanyi Coffee Ltd	244,877	133,146	378,023	12.00	27.00
3	Kawacom (U) Ltd	148,651	162,254	310,905	9.87	36.87
4	Olam (U) Ltd	247,755	26,666	274,421	8.71	45.58
5	Savannah Commodities	185,763	39,104	224,867	7.14	52.72
6	LD Commodities	204,644		204,644	6.50	59.22
7	Lakeland Holdings Ltd	124,857	51,752	176,609	5.61	64.83
8	Kampala Domestic store	172,147		172,147	5.47	70.30
9	Ibero (U) Ltd.	153,030	6,581	159,611	5.07	75.36
10	Great Lakes (U) Ltd.	16,300	126,204	142,504	4.52	79.89
11	Pan Afric Impex (U) Ltd.	135,065	300	135,365	4.30	84.19
12	Job Coffee Ltd.	84,527	41,021	125,548	3.99	88.17
13	Wabulungu M-Purpose Estate Ltd	90,072	3,724	93,796	2.98	91.15
14	Kamba Petroleum Ltd.	50,786	8,370	59,156	1.88	93.03
15	Nakana Coffee Factory	52,977		52,977	1.68	94.71
16	Armajaro Coffee Company	50,229		50,229	1.59	96.31
17	Penform Trading Company	28,940	17	28,957	0.92	97.23
18	Mbale Importers and Exporters		15,107	15,107	0.48	97.71
19	Ankole Coffee Producers Coop.	10,240	320	10,560	0.34	98.04
20	Kaweri Coffee Plantation	9,985		9,985	0.32	98.36
21	Ankole Coffee Processors Ltd.	8,319	1,360	9,679	0.31	98.67
22	Bakwanye Trading Company Ltd		8,908	8,908	0.28	98.95
23	Coffee Services Ltd.	4,971	3,240	8,211	0.26	99.21
24	Gumutindo Co-op Enterprises Ltd		8,000	8,000	0.25	99.46
25	Anderson Investment Ltd.	5,931	444	6,375	0.20	99.67
26	Kitasha Buyers Ltd.	2,446		2,446	0.08	99.95
27	A.J. S Company Ltd.	1,942		1,942	0.06	99.74
28	Gatto Estates Ltd.	960	900	1,860	0.06	99.81
29	Three Farmers Company Ltd.	1,660		1,660	0.05	99.86
30	Uganda Coffee Export Centre		1,050	1,050	0.03	99.95
31	Risala (U) Ltd.	600		600	0.02	99.97
32	Union Export Services	334		334	0.01	99.98
33	Trans Gaz Company Ltd.	300		300	0.01	99.99
34	Zigoti Coffee Works		293	293	0.01	100.00
35	Bridge Commodities	34	10	44	0.00	100.00

Kawacom (U) Ltd, Kyagalanyi Coffee Ltd., Great Lakes Ltd., and Lakeland Holdings handled relatively higher proportions of Arabica that had a significant contribution to the total earnings from coffee.

1.4.5 Individual Coffee Buyers' Performance

The performance of buyers of Uganda coffee during coffee year 2010/11 in terms of quantity and market Share is shown in Table 1.10. The ten top buyers held a market share of 59% down from 67% the previous year depicting a reduction in concentration at the buyer level, a reflection of increased demand for Uganda coffee globally. Sucafina had the highest market share of 13.4% up from 8.6% the previous year. This was followed by Ecom Agro Industrialists with a market share of 8.6% lower than 10.9% the previous year.

Table 1.10: Performance of Individual Coffee Buyers Companies in the Coffee Year 2010/11

	Buyers	Quantity	%age Market Share	
		60-Kilo Bags	Individual	Cumulative
	Grand Total	3,149,423	100.00	-
1	Sucafina	422,492	13.41	13.41
2	Ecom Agro-industrialists	272,143	8.64	22.06
3	Olam International	250,631	7.96	30.01
4	Louis Dreyfus	212,550	6.75	36.76
5	Socadec	147,439	4.68	41.44
6	Bernhard Rothfos	141,338	4.49	45.93
7	Volcafe	127,453	4.05	49.98
8	Icona Café	118,883	3.77	53.76
9	Decotrade	91,420	2.90	56.66
10	Cofftea (Sudan)	79,100	2.51	59.17
11	Guzman	47,080	1.49	60.66
12	Hamburg Coffee	40,454	1.28	61.95
13	Elmathahib	26,950	0.86	62.80
14	Aziende	25,850	0.82	63.63
15	Coffee Handles	23,298	0.74	64.37
16	Luigi Lavazza	17,890	0.57	64.93
17	J. Wolff	10,945	0.35	65.28
18	Finagra	5,250	0.17	65.45
19	First Coffee	5,032	0.16	65.61
20	Misr Café	4,500	0.14	65.75
21	Twin Trade	2,680	0.09	65.84
22	Walter Matter	2,560	0.08	65.92
23	Aldwami	1,400	0.04	65.96
24	Supremo	990	0.03	65.99
25	Gepa	960	0.03	66.02
26	Others	1,070,085	33.98	

1.4.6 Coffee Exports by Destination

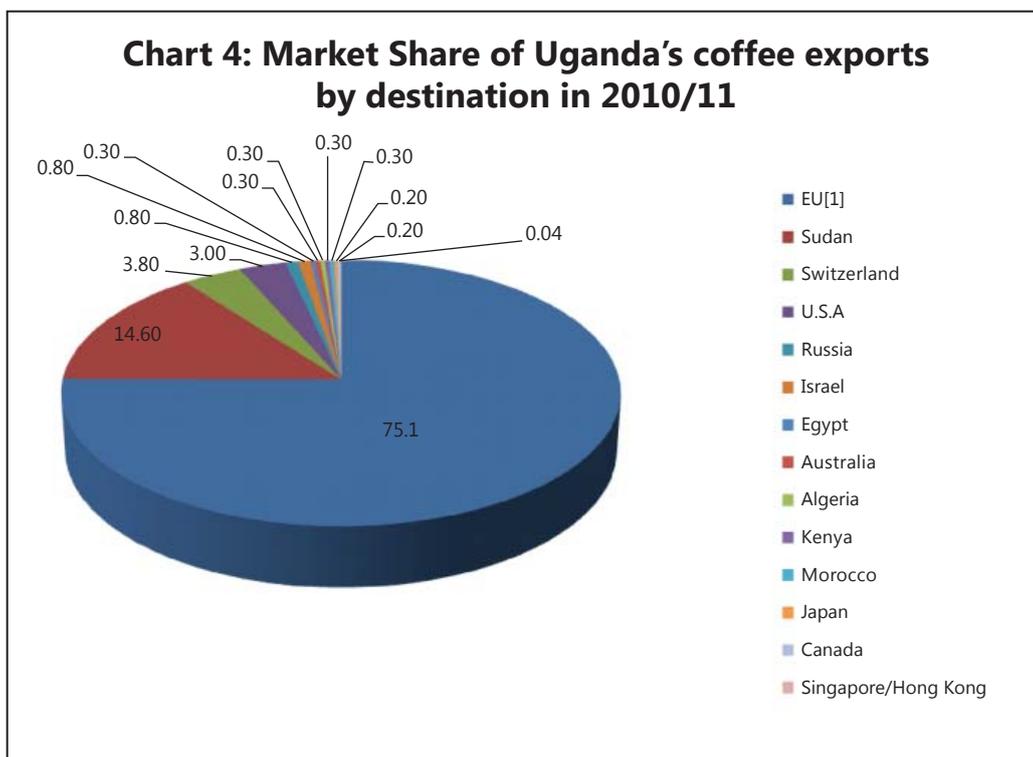
Table 1.11 shows Uganda's coffee exports by destination during the year in terms of volume and relative market shares. Over 1.77 million bags (75.1% of total exports) were destined to European Union (EU) compared to 1.94 million bags (72%) a year ago. This was followed by coffee to Sudan, second major destination, which imported 0.46 m million bags (or 14.6%) compared to 0.50 million bags (18.7%) in the previous year. Coffee to African countries amounted to 488,421 bags (15.5%) compared to 504,689 (18.9%) in 2009/10. Switzerland was the third largest destination of Uganda coffee with a market share of 3.8% of the total exports during the year compared to 3.7% the previous year.

According to International Coffee Organization (ICO), the total value of exports in coffee year 2010/11 is estimated at US\$22.7 billion for a total volume of 104.5 million bags compared to US\$16.5 billion for a volume of 96.7 million bags in 2009/10.

Table 1.11: The Main Destinations of Uganda Coffee in 2010/11

	Destination	Quantity in 60-Kilo bags			% -age Market Share	
		Robusta	Arabica	Total	Individual	Cumulative
	Grand Total	2,484,013	665,410	3,149,423	100.00	-
1	EU ¹	1,774,037	591,122	2,365,159	75.1	75.1
2	Sudan	453,902	6,130	460,032	14.6	89.7
3	Switzerland	119,797		119,797	3.8	93.5
4	U.S.A.	49,314	45,854	95,168	3.0	96.5
5	Russia	18,896	7,384	26,280	0.8	97.4
6	Israel	22,764	977	23,741	0.8	98.1
7	Egypt	9,576	900	10,476	0.3	98.5
8	Australia	3,085	6,285	9,370	0.3	98.7
9	Algeria	9,352		9,352	0.3	99.0
10	Kenya	6,971	1,590	8,561	0.3	99.3
11	Morocco	5,660	2,240	7,900	0.3	99.6
12	Japan	4,897	1,040	5,937	0.2	99.8
13	Canada	4,162	1,220	5,382	0.2	99.9
14	Norway	960		960	0.0	100.0
15	Singapore		668	668	0.0	100.0
16	Hong-Kong	640		640	0.0	100.0

Chart 4 illustrates the market share of importers of Uganda coffee. The dominance of the market share by European Union is underpinned.



¹Members of EU countries include: Austria, Belgium, Cyprus, Czech Rep., Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, The Netherlands and United Kingdom

1.5 Outlook

1.5.1 Domestic Outlook

The domestic situation is characterized by opening stock levels in the range over 400,000 bags mostly at exporter level. Enhanced competition at exporter level reflecting the dynamism in the internal market is likely to continue as companies strive for increased efficiency in export trading. The domestic market is also likely to be characterized by imported coffees that may affect the growth of the local coffee roasting industry.

Global Outlook

Global opening for Coffee year 2011/12 are 17.3 million 60-Kilo bags in producing countries and 18.5 million bags in importing countries.

Global production for 2011/12 is estimated at 131.4 million bags compared to 134.2 million bags in 2010/11, a 2.1% drop. Nonetheless, the year may be characterized by an on-year 2012/13 Brazilian crop which begins harvesting in May/June 2012 estimated at 50.4 million bags which is likely to impact negatively on the global prices.

Nonetheless, a buoyant growth in global consumption estimated at 138 million 60-kilo bags in calendar year 2011 although estimated to grow at a slightly lower rate than the 10-year average of 2.4% per year on account of the global economic crisis. This growth is likely to ensure a balance between supply and demand and consequently firmness in prices.

In Coffee Year 2011/12, the ICO will put more emphasis on price risk management of small holder farmers through a Consultative Forum on Coffee Sector Finance. IACO will also emphasize coffee research through the African Coffee Research Network (ACRN) and establishment of centres of excellence in some coffee producing countries in Africa to enhance quality.

Chapter Two

Quality and Regulatory Services

2.0 Introduction

In fulfillment of its mandate, UCDA implemented programs of quality improvement and assurance, training and skills development, generic promotion and value addition.

In quality improvement program, industrial players at post harvest level were trained on Best Handling Practices (HPs), Best Manufacturing Practices (MPs), machine maintenance and best hygiene practices. Evaluation of the coffees in the field reflected good out-turn for both Arabica and Robusta though the moisture content was generally high above the 14% reflecting further need to intensify sensitization on proper drying techniques. A number of primary processing factories were penalized due to malpractices and non-conformance to the Coffee regulations.

Value addition through wet processing was registered with more installations being made in Mt. Elgon area and in Robusta growing areas. In this effort, we continued to sensitize the sector players about the price premium benefits of trading in washed coffee.

In the field of quality assurance, an increase in clean cups was registered reflecting improved handling practices along the value chain. All organic coffee recorded the best cup largely attributed to establishment and strict observance of the certification process prescribing ethical, health and environmental standards. UCDA with support from USAID-LEAD project, and Coffee Quality institute (CQI-USA), did work on the formulation of Robusta coffee protocols/standards. These standards will make it possible for Uganda to differentiate and trade Robusta coffee as fine (specialty) coffee.

Although there was a drop in the volume of coffee referred for reprocessing, high moisture content continues to pose challenges at export level.

Several training programs were undertaken including training in basic quality control; barista training; training of coffee roasters and brewers; training of trainers in Robusta-R and Arabica-Q graders; farmers; and certification of Robusta and Arabica graders.

In a bid to promote domestic coffee consumption, UCDA continued to participate in local trade fairs and exhibitions to showcase the Uganda coffee. UCDA supported formation of university coffee clubs to attract the youth to participate in barista championships and enhance coffee consumption.

UCDA has also continued to promote coffee on world market through participation in international trade fairs, exhibitions and maintaining promotional centres in China and Egypt.

2.1 Quality Improvement

2.1.1 UCDA carried out sensitization programmes of farmers, store operators and primary processors on Best Handling Practices (HPs). 350 farmers, 397 factory operators and local leaders were trained on quality improvement techniques.

2.1.2 300 dry mill operators compared to 102 in 2009/10 were given technical support on machine maintenance, waste disposal, setting of hulleries and catadors. Best practices in hygiene were emphasized. Improved disposal of husks was observed.

2.1.3 Evaluation of coffee in the field in terms of moisture content (MC) and out-turn (OT) ranged from 13-17% and 40-60% respectively for Robusta. This was a slight improvement compared to 2009-10 which had OT ranging from 45-56%. While field samples for Washed Arabica had MC and OT ranging from 14-16% and 79-82% respectively. Natural Arabica had low scores of out-turn 45-48% compared to Washed Arabica and MC 14-15%.

2.1.4 40 exporters, 256 primary processors, and 8 roasters were registered under the program of inspection and registration of all players at post-harvest level. Gumutindo Coffee Factory, the fifth factory in Mbale region with a capacity of 1.2 m/tones/hr underwent test trials. The site for Agropel Investments in Lira district was inspected and the structure was completed awaiting equipment installation.

2.1.5 On promotion of washed Robusta coffees, 1,139.76 tonnes of coffee were wet processed out of which 854.82 tonnes (14,247 bags) worth \$1.9 million were exported. 14 washing stations, Arabica areas- (Mt. Elgon region-9), Robusta areas (S/western -3; Southern-1; Central -1) were inspected and found to be in good working condition. Ugacof has completed civil works for a wet mill in Waimboga village, Luuka District. Kyagalanyi has also completed civil works in Butsubiti for a wet mill and is ready for installation. 150 farmers were trained in West and South-Western Uganda on the benefits of wet processing. Robusta parchment prices averaged at 4,700 shillings as compared to an average of 3,863 shillings for the conventional market.

In Mt. Elgon region, 2,713.3 tonnes of Arabica parchment coffee were produced by the nine stations. This accounts for about 10% of the coffee produced in Mbale region, the remaining coffee is produced by hand pulpers.

2.1.6 Under enforcement of coffee regulations, 30 primary processing factories were suspended due to non-conformance and malpractices. These were located in Masaka (6), Ibanda (2), Bushenyi (3), Rakai (2), Busoga (6), Ntungamo (3), central (5) and Karera-Rubindi (3). In Bushenyi, 4 stores and one grading plant were closed for processing wet coffee above moisture content 14% and drying FAQ at factories. These factories were later opened after the non-compliances were addressed.

2.1.7 UCDA developed a concept paper on the development of the Robusta Centre of Excellence. The paper is to be tabled in management and Board for approval.



Proper drying of coffee cherries to preserve quality.

2.2. Quality Assurance

2.2.1 Overall cup performance

There has been a steady improvement in the annual percentage of clean cups in the last seven (7) years from 92.9% in 2004/05 to 97.7% last year as indicated in chart 3 below. This was attributed to improved post harvest handling practices within the entire value chain.

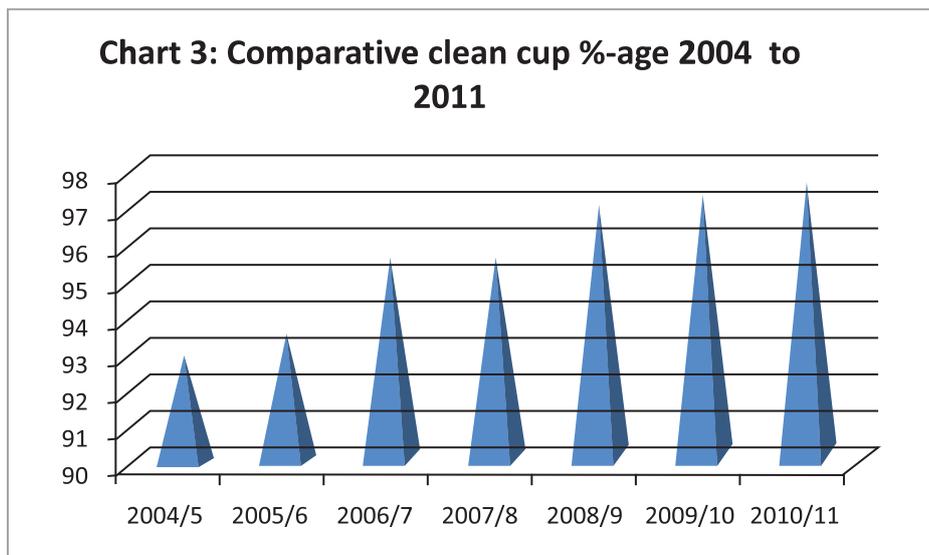


Table 2.1 below gives the percentage of clean cups for each type of coffee and grade. The Bugisu Arabica continues to show a high percentage of clean cups from an average of 97.8%. Bugisu PB scored the least (96%) while Bugisu AA scored the highest (100%) followed by

Bugisu A at 98.3% and Wugar at 100%. The cup quality of Natural Arabica, Drugar, improved from 95.1% last year to 95.4%.

Table 2.1 Comparative Percentage of Clean Cups: 2004/05 to 2010-11

TYPE	GRADE	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05
Bugisu Arabica	AA	100	100	99.6	97.3	98.3	95.5	95.9
	A	98.3	98.4	100.0	98.6	97.1	97.2	96.1
	AB	96.9	96.8	99.0	96.1	95.9	92.4	93.9
	PB	96.0	95.6	94.5	97.6	93.3	98.1	95.6
	B	-	-	-	97.8	97.7	92.9	98.6
Other Arabica	Wugar	100	100	99.4	98.8	96.2	96.5	95.5
	Drugar	95.4	95.1	98.1	94.9	92.7	90.3	86.9
Natural Robusta	Sc 18	95.9	95.7	94.8	94.2	90.6	87.8	86.8
	Sc 17	96.7	96.5	96.2	93.2	95.6	86.4	89.7
	Sc 16	-	-	-	-	100.0	97.6	92.8
	Sc 15	98.5	98.2	95.6	95.8	91.5	89.1	87.9
	Sc 14	95.4	90.3	96.6	98.2	93.6	89.2	87.1
	Sc 13	94.3	94.1	95.6	92.9	100.0	90.5	89.3
	Sc 12	97.5	97.4	95.8	91.9	90.3	88.4	87.2
Washed Robusta	Ungraded	98.3	97.9	93.0	92.1	96.7	100.0	100.0
Organic Coffee	Bugisu Arabica	100	100	97.6	97.1	100.0	96.4	100.0
	Okoro Arabica	100	100	-	100.0	93.2	100.0	100.0
	Robusta	100	100	100.0	83.9	100.0	95.2	89.3
Annual Average		97.7	97.3	97.1	95.3	95.7	93.5	92.9

There was a marginal improvement in the cup of washed Robusta coffee from 97.9% last year to 98.3%; the cup was well above the average for Natural Robusta (96.4%). Post harvest handling methods continue to pose a challenge, especially in dry processed coffee. Operators of wet mills and their out growers were given training in Best Handling Practices (HPs).

All the organic coffees, Okoro & Bugisu Arabica and Robusta recorded the best cup of 100%. This is attributed to the establishment of central pulperies by exporters such as Kyagalanyi and Kawacom in addition to various certification projects.

Organic coffee accounts for a big percentage of specialty coffee exported from Uganda. These coffees are process certified, handled in very structured and prescribed way to meet the ethical, health, and environmental standards.

Screen 16 has not been exported for four years (2007/8 to 2010/11) due to lack of demand.

Table 2.2 below shows a summary of cup defects in Natural Robusta grade, Screen 15, on monthly basis.

Table 2.2 Cup Defects in Natural Robusta Screen 15 in the Year 2010/11

Export coffee of screen 15 grade continued to be of high quality in terms of clean cup scoring 98.5% compared to 98.25% in 2009/10. The common defects were taints (0.4%), earthy (0.4%) and over-fermentation (0.39%). This was all attributed to improvement of post-harvest handling and enforcement of coffee regulations.

2.3. Coffee Referred For Reprocessing

In the year 2010/11, 28,454 bags were referred for reprocessing compared to 33,345 bags (2009/10) that did not conform to the standards. This is an improvement compared to 2009/10

and coffee referrals have gone down over the years. The highest quantity of coffee referred was due to low screen retention (58.4%) which affected Screens 15 &17.

Table 2.3. Coffee Rejections (60kg bags) 2004/05 to 2010/11.

DEFECTS	2006/7	2007/8	2008/9	2009/10	2010/11	Percentage Defects
1.Wetness	24,336	17,618	10,366	13,962	4,268	15
2.Discoloured/Blacks	9,162	7,453	7,646	3,070	3,500	12.3
3. Poor Retention	32,550	9,522	22,163	10,318	16,617	58.4
4.Floats/BHP	3,600	2,735	-	2,052	1,582	5.6
5. Pods	6,617	3,256	1,308	2,709	1,503	5.3
6. Extraneous matter	1,720	0	920	1,234	984	3.4
TOTAL	77,985	40,584	42,403	33,345	28,454	100

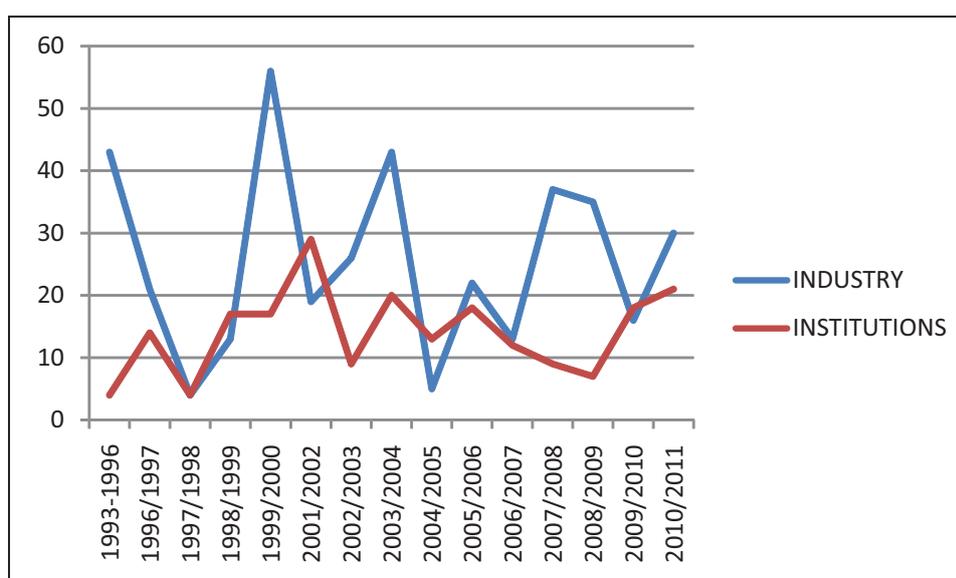
2.4 Quality Evaluation of Coffee Samples from Coffee Research Centre (COREC)

In 2010/11, 16 varieties of Elgon A variety received from COREC and evaluated for bean density, physical defects, out-turn and sensory attributes. All the samples had good bean size (90% above screen 16), out-turn (90.4-97.2%), bean density, and high cup potential. These samples compare very well with Bugisu Arabica in quality attributes and were therefore recommended for farm trials.

2.5 Training programmes

In 2010/11 (Chart 4), 51 participants from the coffee and private sectors were trained consisting of 30 from the coffee industry and 21 from tertiary institutions of learning. The training covers defects’ identification, moisture determination, roasting profiles and techniques, flavor profiles, and liquoring.

Chart 4



Barista training took place from September to November 2010 in preparation for the 4th Uganda National Barista Championship. The training attracted 142 baristas out of whom, 60 were from cafes, restaurants, hotels; universities MUK (13), KYU (31), UCU (4) KIU (8) and 26 were non-practicing baristas.

Ten baristas were trained as judges for the 3rd Uganda National Barista Championship, two of whom attended the World barista championship training in London in 2010.

The Q & R-Grading Certification trainings attracted 43 participants (25 –R & 18 Q) out of which, 3 and 8 were R & Q Certified respectively. A regional workshop on Robusta Certification was held in June 2011 which attracted participants from Tanzania, Kenya, Gabon, DRC, and Togo.

80 farmers from Masaka (16), Mityana (24) and Luweero (40) under the umbrella of Uganda Coffee Farmers Alliance trained in post harvest handling, physical grading, defect identification and introductory cupping.

These training programmes are geared towards building capacity of the coffee sub-sector to handle matters of coffee quality improvement at all levels.

2.6. Generic promotion, Value addition and Promotion of Domestic coffee consumption

2.6.1. Promotion of Domestic Coffee Consumption

Ugandan Coffee was showcased in local trade fairs and exhibitions like the World Food Day in Ntawo, Mukono District; monthly corporate league events; UMA international and Regional Exhibitions; Buganda Farmers' exhibition in Bulange-Mengo; Jinja Agricultural Trade show and regional coffee shows under the Coffee Production Campaign.

UCDA continues to solicit the interest of the youth in coffee drinking. In this program, two coffee clubs were launched at Kyambogo and Makerere universities respectively. The inter-university barista championship competitions 2010/11 were held at Kyambogo University attracting students from tertiary institutions in and around Kampala.

The domestic consumption was 204,000 bags comprising 159,120 bags and 44,880 bags of Robusta and Arabica respectively. (Refer to Table 2.11 on Pg.13). This was 7.8% of the total production (2,622,380 bags) that year. The bulk of the consumed coffee comprised of Roast and Ground coffee. It is important to note that imported brands still account for a sizeable market share in the local market.

2.6.2. Participation in International Trade Fairs & Exhibitions

UCDA continued to display Uganda coffee in international fairs. Coffee was exhibited at the 24th Specialty Coffee Association of America (SCAA) exposition in Houston, Texas; Specialty Coffee Association of Japan (SCAJ); Shanghai Expo, China; 10th AGOA Forum in Lusaka, Zambia; Boston Organic Trade Fair & Conference in Florida; and the 8th Eastern African Fine Coffees conference in Arusha, Tanzania.

Table 2.4: Coffee exports to the Arab world.

Destination	Robusta	Arabica	Total (60 kg bags)
Sudan	453,902	6,130	460,032
Egypt	9,576	900	10,476
Algeria	9,352	-	9,352
Morocco	5,660	2,240	7,900

Table 2.4 shows that the Arab world imported 487,760 bags of coffee claiming a market share of 15.5% of the total export volumes. (Refer to Table 1.8 on page 22) This is mainly attributed to the efforts of the joint venture in Egypt.

Table 2.5: Exports to Asia

Destination	Robusta	Arabica	Total (60 kg bags)
Hong Kong	640	-	640
Japan	4,897	1,040	5,397
Singapore	-	668	668

The exports to Asia were 6,705 bags (Refer to Table 2.5) claiming a market share of 0.2% of total exports. This calls for intensified effort to popularize coffee within this region.

The exports to Canada and USA were 5,382 and 95,168 bags respectively justifying the need for continued participation in SCAA events.



Crane Coffee featured at UCDA's stand in China



UCDA showcasing coffee in Houston, Texas

2.6.3 Joint Ventures

The Joint Ventures in China and Egypt were supported in terms of technical assistance and top up on staff salaries. In Egypt, an audit of UGEMCO was conducted and an inventory database updated for handover.

2.6.4 Barista championships

UCDA hosted the 4th 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 Mark Okuta from Katch the Sun. He represented Uganda at the 2nd Africa Barista Championship (ABC) in Arusha where he emerged the third. At the World Barista Championship (WBC) in Colombia in 2011 Uganda was the forty eighth in the competition.

UCDA Quality Controller was certified as a Barista Judge in New Zealand & participated at WBC in Bogota, Colombia. There is an increased capacity for Uganda to train baristas and judge at national/international events.

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

UCDA together with USAID-LEAD Project (LEAD- Livelihood and Enterprises for Agricultural Development) undertook three workshops to develop Robusta grading standards. Two workshops were held in Uganda in March and June 2011. The development of these standards is in the final stages and they will be published in 2012.

Three Ugandans participated in Q Grading training of trainers in Nairobi Kenya in July 2011 and were certified by Coffee Quality Institute (CQI) as assistant trainers.

2.6.6 Development of a Uganda Specialty Coffee Profile

This program involves, mapping out coffee production areas and describing their distinctive characteristics according to altitude, rainfall and soil type. In this program, 53 Arabica and 12 Robusta samples drawn from Kisoro, Kasese, Bushenyi, Ibanda and Ishaka were analyzed. The results from soil testing are pending as the analysis goes on. The provisional cup analysis results were as follows:

Table 2.6:

Location	Altitude	Location	Type/Variety	Processing method	Analysis results
Kasese	1,734m (5,692ft)	01°11'N 30°05'E	Arabica/SL14	Natural	Fragrance& Aroma: Chocolate, caramel and fruity Flavour: Lemon, Caramel & Winey Acidity: Phosphoric
Rukungiri	1,585m (5,203ft)	00°47'N 29°56'E	Arabica/SL14	Natural	Fragrance& Aroma: Caramel& Fruity Flavour: Complex with lemon and vegetable taste
Kisoro	2,335m 7,729ft)	01°17'S 29°41'E	Arabica/SL14	Natural	Fragrance& Aroma: Caramel, Fruity & Nutty Flavour: Salty, lemon, buttery & cedar Acidity: Medium and well balanced
Bushenyi	1,569m (5,150ft)	00°32'S 30°11'E	Robusta/ Nganda & Erecta	Natural	Fragrance& Aroma: Caramel & spicy Flavour: Chocolate, caramel & buttery Body: Heavy Acid/salt: Low salt High acid Bitter/sweet balance: Low bitter high sweet

Table 2.5 shows that Kasese Arabica has phosphoric acidity and chocolate flavor; Rukungiri Arabica has complex flavor with vegetable taste; Kisoro Arabica has cedar flavor and Bushenyi Robusta has acidity and sweetness. While we continue with the program, the results will be refined further to identify the unique coffee flavors from various regions.

Chapter Three

Coffee Development Programmes

3.0 Introduction

UCDA continued to consolidate success registered in previous programmes as well as embarking on new programmes, in line with the objectives of the Coffee Production Campaign.

These programmes are aimed at increasing coffee production through new planting and improving productivity of the old coffee trees. These programmes include;

- Ensure availability and generation of clean planting material
- Re planting more area
- Coffee Rehabilitation through improvement of yield of the old coffee trees.
- Support to Coffee development in new areas especially Northern Uganda.
- Promotion of Sustainable Coffee Production Initiatives
- Continued deliberate support and strengthening of Coffee Research.
- Promotion of collaborative participatory coffee Extension with other stakeholders
- Strengthening the functions and visibility of the Regional offices and coordination and implementation of key activities under the coffee production campaign

3.1 Promotion of planting material production



Coffee Seedlings



Nodal cuttings

- 7,925 Kgs of Elite Robusta and Arabica seed procured and distributed to community based nursery groups through Field Officers, Local leaders, Political leaders, organized farmer Associations and Exporter based farmer Groups. This raised 19.8 million seedlings.
- 200 Kgs of Albizia tree seed procured and distributed to farmer groups mainly in Northern Uganda to mitigate the need for shade tree during the prolonged dry spells in the region. This raised 3 million tree seedlings.
- 4,000 Kgs of polypots procured and distributed to beneficiaries of the coffee seed, and special project in Northern Uganda.
- 1,234 Community based nurseries have been established to date, with a production

capacity of 24 million seedlings. Some of these nurseries continue to convert to private ownership. During the season, over 19 million seedlings were generated through the CBNs and private nursery operators.

- Recognizing the role played by private nursery operators in making available clean planting material, 39 Private clonal nurseries were supported, with MOU outlining collaborative working arrangement signed. In addition 7 of these nurseries have been chosen to pilot multiplication of the Coffee Wilt Resistant lines for eventual mass multiplication and distribution to farmers.
- Tissue Culture - with release of 7 new lines resistant to CWD, support was given to new technologies that shall ensure a rapid and efficient method of plantlet generation. In collaboration with COREC direct financial and material support was given to the tissue culture laboratory at Kawanda to speed up the generation of these lines for onward multiplication by private nurseries. Efforts were also made to encourage and interest the private sector in tissue culture technology.
- In an effort to speed up the mass multiplication of the 7 Coffee Wilt Disease resistant materials, 17 nursery operators were selected and supplied with a total of 2,440 plantlets to establish mother bushes. The target is to ensure every operator has at least 500 mother bushes each.
- Buginyanya (Sironko District) and Zombo (Zombo District) Arabica seed gardens were supported and Rehabilitation of Nyamigogo (Kisoro District) started. Buginyanya produced 3,435 Kgs of seed; Ngetta produced 603 Kgs of seed. Zombo and Serere to come into production in 2012; Nyamigogo in 2013.
- The generation of seed from Ngetta and eventually Serere will ensure sustainability of seed sourcing and minimize movement of planting material across many parts of the coffee growing areas.

3.2 Promotion of Coffee Replanting

- Robusta seedlings planted were 8.226 million, benefiting 27.413 households. Arabica seedlings planted – 3.782 million seedlings, benefiting 34,929 households.
- In addition, 80,000 seedlings were allocated to 2 women groups, 3 youth groups and 1 disabled group.
- Under the Public Private Partnership, Kaweri Farmer Alliance was supported with 85,000 seedlings for the farmer groups. This includes the programmes in Luwero and Masaka.
- During the year the nursery operators earned Ug. Shs. 3.6 billion from seedlings

3.3 Coffee Rehabilitation



A newly stumped coffee field



A stumped coffee Tree

- Memoranda of Understanding were developed with 360 farmers, and financial support provided for purchase of fertilizers, pesticides and herbicides. The farmers rehabilitated 1 acre of coffee that also acted as demonstrations for training the rest of the farmers. 360 acres were voluntarily rehabilitated, and fertigation trenches set up. These also act to improve soil and water management.
- To improve on the learning and adoption process by the farmers, 122 farm field school sessions were conducted. These farm field schools are an extension initiative in which farmers are able to share experiences in the field and put in practices ideas seen as the 'best practice'. More farmers are now adopting the practice of stumping and pruning their coffee, as a result of this initiative.
- As an initiative to speed up and encourage farmers to rehabilitate their coffee, 600 farmers from all the five regions participated in farmers' competitions. The Competitions are an initiative to speed up and encourage farmers to rehabilitate their coffee. The competitions are 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 and radios).
- A collaborative arrangement was established with Makerere University and IITA, with sponsorship from USAID LEAD Project to carry out analysis of soils from various regions in Uganda. The analysis will be used in the promotion of soil management practices especially under the sustainable coffee production.
- In response the occurrence of weather related vulgarities like landslides in the Mt. Elgon area, 3 farmers from the districts of Kapchorwa, Bududa and Sironko and supported with contour establishment, tree and grass planting. In addition, 3 tree nursery sites with assorted tree species (Albizia, Grevillea, Cordia and Markhamia).
- A mini Irrigation system was set up on a 2 acre demonstration field for a farmer from Lwengo District, Kkingo Sub County .

3.4 Support to Coffee Development in Northern Uganda

- Support adoption of production of coffee as a perennial cash crop grown on commercial basis in the Mid-Northern Uganda districts of Amolatar, Amuru, Apac, Dokolo, Kitgum, Gulu, Lira, Oyam and Pader.
- incorporate coffee/banana and cover crops farming in the existing farming system
The programme has, made significant achievements in the 3rd year of implementation;
- 17 sensitization workshops and seminars held for 657 local leaders and other stakeholders.
- Two groups of farmers (50) from Acholi and Lango Sub Regions were taken on field tour South – Western Uganda (Masaka and Bushenyi). The visit enhanced farmers knowledge of the various coffee value chain activities and adoption of the coffee/banana system practiced in the visited regions.
- 24 radio sessions of 720 minutes were aired on radios in the region. The messages addressed all activities along the coffee value chain. There has been a substantial awareness on the coffee value chain in the region.
- 55 farmer groups and 15 registered with local government at sub county level. 20 Workshops attended by 610 participants were organized to improve farmer group knowledge in managing groups and associations.
- 147 community based nurseries were formed, with capacity of 20,000 seedlings each. 37 nurseries have turned private. There has been an improvement of the seedlings' survival

rates to above 80%. There is a high enthusiasm by farmers who are turning some of the Community based nurseries into Private and commercial enterprises.

- 2.182 million Seedlings were raised by both the Community based and private nurseries. And 1.924 million were planted together with 0.25million shade trees, benefiting 4,700 households. In addition 3,435 banana suckers distributed to 31 households and the Technology development sites.
- 220,000 seedlings were directly procured by UCDA and distributed to various farmer groups. 15,770 seedlings were planted by Lututur Prison farm and farmers neighboring the prisons farm
- 1 Training workshop was conducted for 33 sub- county local leaders and 26 extension workers. The training was on coffee development activities. 90 farmer training seminars were conducted attracting 1,469 participants. 40 farm field school sessions were carried out with 720 farmers. 210 farm visits carried out with 1,848 contacts established.
- 1 seed garden was supported, and in addition 7 private seed suppliers were engaged to supply additional seed for the region.
- 10 technology development sites were established to act as training and demonstration sites on new technologies. These sites are also used as multiplication fields for banana suckers distributed to farmers for intercropping with coffee. 3,435 banana suckers were distributed to farmers. This together with cover crops provides early incomes to coffee farmers besides catering for food security.
- 2 workshops were conducted on Processing and market development. 6 rolls of coffee wire drying trays distributed, 20 tarpaulins were distributed to 10 farmer groups as a drive to improve quality at post harvest.
- 114.3MT of Kiboko was sold by farmers (47.1MT Acholi sub-region; 67.2MT Lango sub-region) at average prices of shs 1500 - 1700/Kg.

3.5 Promotion of Sustainable Coffee Production Initiatives (Organic, Utz, 4Cs, Fair Trade)



High bearing coffee

- A study was conducted for all sustainable coffee programmes to establish their prevalence and sponsorship. It was established that Organic Certification was the most practiced standard. Other standards (Rain Forest Alliance, 4C, Utz and Fair trade certifications are minimal but being implemented by various export based farmer groups.
- Farmers were mobilized to become effective production groups, and attract external funding and support. MGOCA (Kisoro established 39 Producer Organizations, and were able to obtain support from the USAID- LEAD Project. NIHACOFA (Zombo) were linked to

Exporters, and given financial support for Fair Trade Certification.

- 5 workshops/seminars (1 per region) carried out for farmer groups (NIHACOFA, ACPCU, CHEMA FA, Bukhonzho Organics). 6 external organic inspections carried out in Zombo. In addition farmers from Zombo District were identified as potential areas for carbon credit initiative.
- 325,000 coffee seedlings were given to farmer groups under the Uganda Coffee Farmers Alliance (Luwero, Mityana, Bigasa), and Ankole Processors.
- Several farmer Groups/organizations were linked to USAID- LEAD Project for possible support along the coffee value chain. Some of these organizations are; Kawacom. Good African Coffee, Ankole Processors, Bukhonzho Organics, Paidha Coffee Farmers, Kyagalanyi Coffee, UGACOF, MGOCA-Kisoro.
- Specific support was given to MOUNTAIN GORILLA ORGANIC COFFEE ESTATE ASSOCIATION (MGOCA) in Kisoro, in collaboration with USAID- LEAD Project and Urth Café (USA). The objective is to improve the production and productivity of the farmer group to export Organic coffee to the US market. The specific support included; hand pulpers, spray pumps, bicycles, water tanks, solar panels, goats and furniture to set up an office for Coordination. 3.5 MT of Coffee exported, 47,000 seedlings planted and 39 producer organizations established.

3.6 Farmer Training and Extension Liaison



Ibanda Coffee Show

- 301 seminars/trainings attended by 5,534 participants were conducted as part of the Coffee Production Campaign to sensitize farmers and traders on issues of Good Agricultural, Handling and Manufacturing practices.
 - 17 seminars were conducted in collaboration with other stakeholders (USAID – LEAD, NAADS and NUCAFE) to address key issues along the whole coffee value chain.
 - 6 radio stations were contracted to air 1 programme once per week for 3 months in all the regions. The messages covered all aspects of the value chain and sensitization on the coffee regulations. 12 radio programmes were specially aired in the Arabica areas on management of the coffee leaf rust.
- 5 inter–regional study tours were conducted for all the regions. The purpose of the visits was for farmers to share ideas and learn from their counterparts in other regions – zero grazing, good banana management practices, intercropping, mulching, mixed farming etc.

- 13 Coffee shows were held in 13 districts. The main purpose of the coffee shows is 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 Café Africa and UNADA
- The district coffee platforms in 20 districts were facilitated to sensitize farmers and processors on quality at post harvest, and in collaboration with the National Steering Committee of the coffee production campaign, 60 members participated in deliberations of the Annual stakeholders' Meeting, and made presentations on their experiences with the Coffee Production Campaign.
- As part of our effort to create operational efficiency and take services nearer to the farmers, support was provided to Officers in the Regional Officers to offer diligent services to all stakeholders, Government agencies and local governments in addressing interventions within the coffee value chain.

3.6.1 Coffee Production Costs and Margins at Farm level

Table 3.1 Comparative Costs and Margins for Different Types of Coffee

ROBUSTA						
ACTIVITY	ACTIVITY COSTING	COST (SHS)				
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Bush Clearing	Shs 250,000 @ Ha	250,000	-	-	-	-
Land Opening (1st and 2nd)	Shs 300,000 @ Ha	300,000	-	-	-	-
Labour	Establishment					
	Digging holes(@500)	550,000				
	Planting into holes @ sh 200 per plant	220,000				
	Manure (2 lorries)	300,000	300,000	300,000	300,000	300,000
	Seedlings (1,100)@sh 300	330,000				
	Fertigation trenches(50 man days)	200,000	50,000	50,000	50,000	50,000
	Mulching	-	-	300,000	300,000	300,000
	Tools (hoes, pangas etc)	150,000	20,000	20,000	20,000	20,000
	Sub Total	2,300,000	370,000	670,000	670,000	670,000
	Maintenance					
	(Weeding,Training, pruning, applications etc)	360,000	720,000	720,000	720,000	720,000
	Sub Total	360,000	720,000	720,000	720,000	720,000
Inputs						
	Fertilizer - (4 Bags)	-	-	480,000	480,000	480,000
	Pesticides (8 litres)		50,000	100,000	100,000	100,000
	Herbicides (4 Litres)		72,000	72,000	72,000	72,000
	Sub Total	-	122,000	652,000	652,000	652,000
	Harvesting			432,000	924,000	924,000
	Tarpaulins (5) @ 45,000			225,000		
	Drying			180,000	360,000	360,000
	Sub Total			837,000	1,284,000	1,284,000
	Contingency Cost (5%)	195,500	88,600	151,610	175,640	175,640
	TOTAL COST	2,855,500	1,300,600	3,030,610	3,501,640	3,501,640
	INCOME					
	Yield /Ha/Year (Kiboko -Kgs)	-	-	3,970	4,370	4,800
	Average Farm Gate Price/Kgs (Kiboko)	-	-	1,800	1,800	1,800
	Gross Income	-	-	7,146,000	7,866,000	8,640,000
	Net Income	(2,855,500)	(1,300,600)	4,105,390	4,354,360	5,128,360

ARABICA						
ACTIVITY		COST (SHS)				
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Bush Clearing Land Opening (1st and 2nd) Labour	Shs 250,000 @ Ha	250,000	-	-	-	-
	Shs 300,000 @ Ha	300,000	-	-	-	-
	Establishment					
	Digging holes(@500)	820,000				
	Planting into holes @ shs 200 per plant	328,000				
	Manure (2 lorries)	300,000	300,000	300,000	300,000	300,000
	Seedlings (1640)@sh 300	492,000				
	Fertigation trenches(50 man days)	200,000	50,000	50,000	50,000	50,000
	Mulching			300,000	300,000	300,000
	Tools (hoes, pangas etc)	150,000	20,000	20,000	20,000	20,000
	Sub Total	2,840,000	370,000	670,000	670,000	670,000
	Maintenance					
	(Weeding, pruning, applications etc)	360,000	720,000	720,000	720,000	720,000
	Sub Total	360,000	720,000	720,000	720,000	720,000
Inputs						
Fertilizer - (4 Bags)				480,000	480,000	480,000
Pesticides (8 litres)	200,000	200,000	200,000	200,000	200,000	
Herbicides (4 Litres)		72,000	72,000	72,000	72,000	
Sub Total	200,000	272,000	752,000	752,000	752,000	
Harvesting				432,000	924,000	924,000
Tarpaulins (5) @ 45,000				225,000		
Pulping and Drying				180,000	360,000	360,000
Sub Total				837,000	1,284,000	1,284,000
Contingency Cost (5%)	170,000	68,100	148,950	171,300	171,300	
TOTAL COST	3,570,000	1,430,000	3,127,950	3,597,300	3,597,300	
INCOME						
Yield /Ha/Year (Parchment -Kgs)	-	-	600	1,200	1,200	
Average Farm gate Price/Kg (Parchment)	-	-	8,000	8,000	8,000	
Gross Income	-	-	4,800,000	9,600,000	9,600,000	
Net Income	(3,570,000)	(1,430,000)	1,672,050	6,002,700	6,002,700	

Source: UCDA: Field Data, 2010/11

Chapter Four

Coffee Research

4.0 Introduction

During the coffee year, the emphasis for coffee research at the Coffee Research Centre (COREC) remained to be the development and dissemination of technologies for sustainable control of coffee wilt disease (CWD) and Black twig borer on Robusta and coffee leaf rust (CLR), coffee berry disease (CBD), root mealy bugs and stem borers on Arabica. The research builds on the progress made in previous reporting periods.

4.1 Robusta Coffee Research

4.1.1 Multiplication of elite CWD resistant Robusta coffee varieties by tissue culture

COREC has continued to use tissue culture facility at Kawanda to propagate the 7 elite CWD resistant Robusta coffee varieties as shown in Table 4.1 below.

Table 4.1: Achievement in propagation of the 7 CWD resistant Robusta coffee varieties by tissue culture during 2010/11 coffee year

Explants in the laboratory phase					Plants at ex-laboratory phase		
Variety	P.D	Flasks	T.T	RITA	Poly Box	In poly pots (for field)	Plants given out
KR1	91	2	542	56	267	392	96
KR2	0	0	350	52	4298	3,117	623
KR3	0	4	366	43	1211	2,926	531
KR4	222	3	469	45	400	289	107
KR5	204	5	1,311	33	417	626	126
KR6	71	0	493	64	3649	432	153
KR7	73	0	879	83	1511	488	307
Total	661	14	4,410	376	11,753	8270	1943
Expected plants	165,250	3500	1,102,500	94,000	11,753	8,270	1943
Likely % loss -	20%	20%	20%	20%	10%	5%	5%

Key:

- 1) P.D = explants in petri-dishes (first stage); T.T = explants in tests tubes
- 2) Each unit at laboratory phase (Petri-dishes, test tubes, Flasks and RITAs) has explants and each explant is expected to generate about 250 plants.
- 3) KR1-KR7 = Kituza R1 – Kituza R7

Note

- 1,943 plantlets were given out to nursery operators.
- 11,753 plantlets/Embryo are already in boxes at different growth stages in weaning chambers.

- 8,270 plantlets are in pots at different growth stages in the screen house and will be ready for giving out to nursery operators in the first rains of 2012 (less by about 5% due to mortality).
- 376 RITA with embryos in the laboratory at different growth stages in growth room.

Other achievements

- Laboratory protocol to optimize generation of plantlets from variety KR6 was improved.
- Optimization of protocols for KR4 and KR5 is still in progress
- An orbital shaker was procured and is expected to increase production of embryos from explants by two fold using liquid media.
- Protocols (composition, moisture levels, plantlet size, fungicide applications) for optimizing weaning of plantlet was improved
- Water tanks were procured
- Rehabilitation of weaning screen house and procurement of other laboratory equipments and consumable are in process

4.1.2 Multiplication of the 7 CWD resistant Robusta coffee varieties by rooted cuttings:

COREC planted a mother garden of the 7 elite CWD resistant varieties at Kituza in 2008, to generate suckers for raising rooted cuttings. The mother garden has been continuously maintained and most of the mother bushes are now in production. Rooted cuttings which were given to nursery operators in the previous reporting period were raised from this mother garden.

In April 2011, 3,500 cuttings of the 7 CWD resistant varieties were harvested and planted under cages in the Kawanda coffee nursery and 2,267 (64.8%) of them successfully rooted as shown in Table 4.2:

Table 4.2 Cuttings of CWD elite varieties planted in cages and given out in 2010/2011

Variety	Planted April 2011			Planted July 2011	Plants given out
	Planted	Survived/ rooted	% survival	Still under cages	
KR1	430	288	67.0	92	123
KR2	190	36	18.9	308	67
KR3	400	110	27.5	1,180	310
KR4	200	50	25.0	148	25
KR5	500	450	90.0	797	80
KR6	1,300	1,035	79.6	944	201
KR7	480	298	62.1	549	115
Total	3,500	2,267	64.8	3,200	921

Note

- The average survival rate of 64.8 is nearly the same as that of the commercial nurseries such as Bukalasa in Luwero operated by Mr. R. Semakula, Kalisizo Crop Nursery in Rakai operated by Mrs Kava.

- The 2267 rooted cuttings will be available for distribution to nursery operators in March and April 2012.
- It is anticipated that about another 2,000 will be available from the plants under cages for giving out to nursery operators within the same time. These will supplement 8,270 plants raised from the tissue culture laboratory.

4.1.3 Dissemination of planting materials of the CWD resistant

COREC in conjunction with UCDA, have been giving out planting materials of the 7 CWD resistant varieties to nursery for further propagation and dissemination to farmers. During this year, 18 nursery operators (excluding Kizuza) have received and planted mother bushes (Table 4.3). These nurseries are being given technical support by COREC team and UCDA.

Table 4.3: Nursery operators who received plants and planted mother gardens of 7 CWD resistant varieties

Location	Recipient	KR1	KR2	KR3	KR4	KR5	KR6	KR7	Total	Time planted	Remark
MITYANA	Mr. Semanda	0	60	59	0	4	17	60	200	2010/11	Only T/C
MITYANA	Mr .Senoga	10	50	50	10	10	0	15	145	2010/11	Only T/C
MUBENDE	Rev Buwamatsiko	0	60	59	0	4	17	60	200	2010/11	Only T/C
LWENGO	Mrs Mukiibi	20	60	70	25	20	40	35	270	2010/11	T/V & Cuttings
BUKOMANSIMBI	Mr. Mpimbe	20	40	70	50	15	40	25	260	2010/11	T/C & Cuttings
RAKAI	Mrs Kava	15	100	50	35	50	15	15	280	2010/11	T/C & Cuttings
RAKAI	Mr D. Lubega	0	50	50	10	10	10	15	145	2010/11	Only T/C
WAKISO	NaCRRI_demo	20	20	20	10	10	20	20	120	2009-2011	Only T/C
MUKONO	MUZARDI	30	40	50	30	30	30	30	240	2010/11	Only T/C
NAKASEKE	Mr Kalule	0	100	100	0	13	23	69	305	2009-2011	Only T/C
KAMWENGE	Dr Tumwine	25	52	52	27	25	25	27	233	2010/11	Only T/C
BUIKWE	DAO	25	9	50	13	29	41	26	193	2010/11	Only cuttings
WAKISO	Mr Gidagui	25	50	50					125	2010/11	T/C & Cuttings
IGANGA	Mr Musaala	20	50	50	20	20	20	20	200	2010/11	Only T/C
SHEEMA	Mt. View Farm		5	5	5	5	5		25	2009/10	Only cuttings
IBANDA	Ankole Processors Ltd	25	50	70	0	50	15	40	250	2010/11	Only cuttings
LUWERO	Mr Semakula	30	20	30	12	30	30	30	182	2009-11	Only cuttings
MPIGI	NUCAFE	5	5	5	0	0	5	5	25	2009-10	Only cuttings
MUKONO	COREC-Kizuza	89	61	94	10	63	95	44	456	2008-11	Only cuttings
	Total	359	882	984	257	388	448	536	3854		



Mother garden of CWD-R varieties at Mt View



Mother garden at Mukono ZARDI



Mother garden at Ankole Proc. Ltd

Figure 4.1: Pictures of some of the established mother gardens of the 7 CWD-Robusta coffee varieties

4.1.4 On-farm validation of CWD resistant elite varieties

Studies have been carried out to determine susceptibility/tolerance of the 25 CWD resistant Robusta Coffee varieties to key insect pests in Uganda, as one of the prerequisite information for their full release to farmers. The purpose of these trials is to determine the yield, quality, on-farm performance and resistance to major coffee diseases of the test lines under different agro-ecologies. The results of these studies would then form a basis for full release of the best varieties to the farming communities.

Some of the attributes assessed are plant height, plant diameter, tree girth, length of primary branches, length of internodes of primary branches, length of stem internodes, number of berries per node, shape and size of berries. Analysis of the data on these parameters is not complete, however it was observed that the trials at Nakanyonyi in Mukono has been badly affected by BCTB, hence results from these trials shall not be reliable. .

Achievements:

- The trial at Kyagalanyi in Nakanyonyi sub-county, Mukono district continue to be raged by a very heavy attack of black coffee twig borer (BCTB). Some plants, which had been killed by root mealy bugs have recently been replaced.
- The trials in Mityana and Ibanda had a range of other damaging pests, most notable were root mealy bugs, canopy/aerial mealy bugs, leaf miners, leaf skeletonisers, scales and foliage eating beetles

4.1.5 Up scaling of CWD resistant Robusta Coffee varieties.

COREC intends to identify more elite CWD resistant Robusta coffee varieties to supplement the 7 which were released in 2009 for cushioning the industry in the event of outbreak of unknown biological calamities. About 1,500 CWD resistant Robusta coffee genotypes/ individuals which were identified at the time of artificial inoculations were planted at Kizuza for assessing agronomic and commercial qualities upon which better lines/varieties would be selected.

The 11 lines that were selected in the previous period were propagated and the planting materials generated will be planted in on-farm trials in the first rains of 2012.

4.1.6 Surveillance of Black Coffee Twig Borer

Surveillance and assessment of the current status of BCTB has been carried out in 14 districts of western, south-western, north-western and central Uganda. It was observed that BCTB has

spread to new areas in central and south-western Uganda, where it has infested 36% of farms in Nakaseke, 31% in Luwero, 42% in Kanungu and 18% in Rukungiri. Mukono, Kayunga, Buikwe, Wakiso, Luwero, Nakaseke, Kiboga, Mpigi, Kanungu and Rukungiri districts are the hotspots of BCTB. BCTB is also present in Bundibugyo, Kabarole, Kasese, Mpigi, Mityana, Mubende, Nakasongola, Jinja and Kamuli districts. The damage in south-western and central Uganda as well as Bundibugyo are particularly severe and therefore needs very urgent attention.

4.1.7 Evaluating effect of Ambrosia fungus on the survival of the Black Coffee Twig Borer.

The black coffee twig borer (*BCTB*) (*Xylosandrus compactus*) bores into the young branches of coffee (twigs), killing them in a few weeks. Once inside the twigs, it does not feed on the host plant material but uses it as a medium for growing the *Ambrosia* fungus which acts as its food.

The activities carried out involved

- In vitro screening and selecting systemic fungicides that can effectively inhibit growth of ambrosia fungi that is responsible for growth and survival of the coffee twig borer (*Xylosandrus compactus*)
- Isolation and identification of ambrosia fungi associated with *Xylosandrus compactus*
- Collecting field samples from Mukono, Nakaseke, Luwero Rukungiri, Bundibugyo and Kanungu districts and culturing of collected samples at Kituza and ICIPE (Nairobi)
- A field trial has been set up at Kituza in order to compare the efficacy of a tank mixture of Orius and Dursban against that of Dursban (Current recommended insecticide for BCTB control) alone and the untreated control.

Achievement

Field samples were collected from Mukono, Nakaseke, Luwero Rukungiri, and Kanungu districts and culturing of collected samples at Kituza and ICIPE (Nairobi) initiated. Eight isolates were obtained from beetles and are undergoing taxonomical identification at ICIPE. Pathogenicity tests of the collected isolates to understand fully the relationship between the *Ambrosia* fungi and the coffee wilt disease are also being carried out.

Preliminary in-vitro tests indicated that the fungicide Orius is very effective for the inhibition of ambrosia growth in the laboratory. *Ambrosia* fungus provides the feed for BCTB broods; hence its inhibition limits BCTB multiplication by denying the broods their essential food

4.1.8 Evaluation of community based phyto-sanitary interventions for management of the coffee twig borer.

Community groups were formed in the sub-counties of Ntenjeru and Nabaale (Mukono district) and Nakaseke (Nakaseke district) to implement the phyto-sanitary interventions for BCTB control that included de-suckering, pruning and burning of infested coffee plant parts and alternate host plants. The phyto-sanitary 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 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), with membership as in Table 4.4 below. Implementation of the evaluations was therefore done in the context of FFSs curricula. Monthly sessions conducted

for each FFS by area Extension Officer with technical backs-topping by the IPM research team (COREC). This is meant to ensure the monthly application of the phyto-sanitary measures, as well as impart other coffee management technologies based on the FFS curriculum. Coffee management season calendars, incorporating the phyto-sanitary measures were developed for Ntenjeru and Nakaseke FFSs.

Preliminary results clearly show a decline in BCTB incidences in all the 3 test sub-counties with implementation of phyto-sanitary recommendations (Table 4.5). However, the incidence among phyto-sanitary farms is still high, although the method appeared more effective over longer period of time. Farmers have complained the method is slow and labour intensive, and does not completely eliminate the problem

Table 4.4. Participating FFS membership by site and gender

Gender	Twekembe Coffee Farmers' Field School (Ntenjeru)	Nabaale Coffee Group FFS (Nabaale)	Kezimbira Coffee Farmers' Field School (Nakaseke)
Male	15	21	17
Female	4	7	8
Total membership	19	28	25

Table 4.5. BCTB incidences in phyto-sanitary and non phyto-sanitary farms in test 3 sub-counties in Central Uganda.

	Mean incidence (%)		
	Ntenjeru	Nabaale	Nakaseke
Phyto-sanitary farms	62	53	49
Non phyto-sanitary farms	36	44	38
Reduction in incidence	26	9	11

4.1.9 Targeted and Community based search for BCTB alternate hosts:

COREC 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 as in table 6.

Alternate hosts so far reported by farmers include mango (*Mangifera indica*), *Albizia spp.*, *Cassia spp.*, Sodom's apple (*Solanum incanum*), *Meisioptisemni*, *Caleandra sp.* And cocoa (*Theobroma cacao*). These are yet to be verified. Trapping trials are in progress at Kituza, but many adjustments to equipment and candidate attractants have been made to render earlier data unworthy. Formulations of *Beauveria bassiana* and *Metarhiziumanisopliae* bio-pesticide are being undertaken but field tests are yet to begin.

Further search and in-vitro screening for BCTB alternate hosts still on-going and the results shall be incorporated into the over-all phyto-sanitary BCTB management package.

Table 4.6: Inventory of BCTB alternate hosts so far identified

	English name	Scientific name	Family	Reported by farmers	Observed by researchers	In vivo test
1		<i>Entada abyssinica</i>	Fabaceae		+	
2		<i>Albizia coriaria</i>	Fabaceae	+	+	
3		<i>Markhamia lutea</i>	Bignonaceae		+	+
4	Bitter berries	<i>Solanaceous aethiopicum</i>	Solanaceae	+	+	
5		<i>Vernonia amygdalina</i>	Asteraceae		+	
6	Eggplant	<i>Solanum melongena</i>	Solanaceae	+		
7		<i>Crassosephyllum vittelinum</i>	Compositae		+	
8	Mango	<i>Mangifera indica</i>	Anacardiaceae	+	+	+
9	Avo cado	<i>Persea americana</i>	Lauraceae		+	+
10	Albizia	<i>Albizia chinensis</i>	Fabaceae		+	+
11		<i>Senna spectabilis</i>	Caesalpinioideae		+	
12		<i>Maesopsis eminii</i>	Rhamnaceae		+	+
13		<i>Albizia zyia</i>	Fabaceae	+	+	
14	Sodom's apple	<i>Solanum incanum</i>	Solanaceae			
15		<i>Vernonia auriculifera</i>	Asteraceae			
16	White leadtree	<i>Leucaena leucocephala</i>	Leguminosae-Mimosoideae			

4.1.8 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 (see Table 4.7). 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.

Table 4.7. Preliminary results of efficacy tests on selected systemic insecticides for BCTB management in the coffee nursery

Treatment	Total Cumulative Infested Seedlings	% Cumulative Seedlings Mortality
Control	19	31.7
Dursban (Chlorpyrifos)	16	26.7
IMAX (Imidacloprid)	13	21.7
Malathion	14	23.3
Rogor (Dimethoate)	20	33.3
Thionex (Endosulfan)	13	21.7

Available data for the field trial is still scanty as the trial has just begun. Thionex and Chlopyrifos showed good protection of coffee plants in the nursery against BCTB

4.1.11 Evaluating effect of shade on insect pests

A three-year study that has been conducted on a farm at Namugongo was concluded. The study was investigated effect of shade and shade tree species on infestation of Robusta coffee by insect pests, to assist in formulating recommendations on shade and shade tree species in Uganda.

The findings suggest that *Albizia* shade trees provide micro-environments that either favour the incidence of the pest or they are alternate hosts or may have other hidden mechanisms for promoting *X. compactus* infestation of coffee.

4.2 Arabica Research

4.2.1 Evaluation of new introductions of Arabica coffee for yield, quality and resistance against leaf rust, berry disease and other diseases

On-farm trials of two (2) Arabica coffee lines, which were introduced from India and planted in on-farm trials in Kapchorwa (4) and Manafwa (2), were also planted in field trials in Nebbi (2) and Manafwa.



New Arabica trial in Bumbo (Manafa district)

New Arabica trial in Bupot (Manafa district)

Data for evaluating seedling vigour and response to CBD by one of the Indian Arabica coffee lines (selection 6) in comparison to local checks, were analyzed and the results are given in Table 9. The results show that the Indian selection 6 is taller than our commercial varieties SL14 and KP423 ie a more vigorous plant. The results also show that this line is more tolerant to CBD than our cultivated varieties. These results collaborate with results from Rwanda, Kenya and Zimbabwe, where the same variety is also being evaluated

Table 4.1 : Growth and response of Arabica coffee seedlings to CBD infection

Variety	Mean (CM)	% incidence
Caturra	9.3	46.7
NG9258	10.3	93.3
KP 423	11.7	73.3
Elgon CB	11.8	60.0
Ruiru 11	11.8	
SL14	12.0	93.3
NG9257	13.0	40.0
SL28	13.6	86.7
Blue MTN	14.3	93.3
Indian SLN 6	14.4	33.3
Bugisu local	16.1	73.3
SL34	16.3	100.0
LSD	1.8	0.028

On-station trials of the same varieties, which were planted at Kituza and Buginyanya in the previous reporting periods, were maintained. Preliminary data were collected on growth parameters in the trial at Kituza. The data was partially analyzed and the results are shown in table 5. These corroborate to the nursery studies i.e Indian selection 6 is a more vigorous (taller, thicker stems, wider leaves etc) than our commercial varieties SL14 and KP423.

4.2.2 Evaluation of existing Arabica coffee introductions for yield, quality and resistance against leaf rust, berry disease and other diseases

Data was collected from other trials at Kituza consisting of materials bred within Kituza, to assess the new lines for yield and resistance to leaf rust. Yields of 11 new lines in Elgon A trial are shown in table 11 and their response to leaf rust is shown in figure 2. These results found most of the new lines very high yielding, far better than the commercial varieties SL14 and KP423. The new lines are all resistant to coffee leaf rust. These lines are likely to do even better when they are tried in ideal Arabica coffee growing areas. However, they are yet to be evaluated for resistance against CBD and quality. Coffee bean samples were collected from the same trials and they are ready for submission to UCDA for quality analysis.

Other achievements in this area include

- Collection of data for evaluating other Germplasm existing at Bugusege, Kawanda and Kituza
- Collected data on trials of Arabica hybrids, which are maintained at Bugusege and Buginyanya
- Raised 440 rooted cuttings of 17 new Arabica clones for evaluation in multi-location trials, including Kituza.

Chapter Five

Finance and Administration

5.1 Organisational Structure and Staff Matters:

During the year, UCDA completed an HR review exercise with emphasis on improving operational processes, efficiency and innovation. The review exercise led to the introduction of a new staff performance measurement tool (Balanced Scorecard). The exercise also resulted into; a change in the job grading system, an increase in the number of positions on the structure (from 56 to 58), and an increase in number of departments (from 3 to 4). The departments on the structure are;

1. Production Department
2. Quality and Regulatory Services Department
3. Strategy and Business Development Department
4. Finance and Administration Department

Table 6.1 shows the total number of Staff in the respective departments.

Table6.1: Distribution of Staff per Department

Department	Title	Number of staff
Office of the Managing Director 5	Managing Director	1
	Principals (Auditor and HR)	2
	Officer	1
	Driver	1
Finance and Administration 9	Board Secretary / Head Finance & Administration	1
	Principal Accountant	1
	Senior Officers (Procurement Officer & Accountant)	2
	Officers (Accounts and Administration)	4
	Driver	1
Production 28	Manager	1
	Principal Development Officers / Regional Supervisors	5
	Technical Extension Officers	3
	Coffee Extension Officers	18
	Driver	1
Quality and Regulatory Services 11	Manager	1
	Principal Quality Controller	1
	Senior Quality Controller	1
	Quality Controllers	7
	Laboratory Assistant	1
Strategy and Business Development 5	Manager	1
	Principal Information Officer	1
	IT Officer	1
	Market Analyst	1
	Driver	1
		58

5.2 Staff Training & Workshops

The following benefited from various staff training and workshops;

- Nine(9) senior staff trained in the new performance measurement tool -Balanced Score Card (BSC).
- One (1) staff trained in HIV /AIDS Peer Counseling.
- One (1)Finance staff attended a workshop on government accounting organized by MFOPED.
- Four (4) officers attended trainings in organic certification.

5.3 Staff Recognition and Rewards

UCDA continued to recognize and reward staff who are outstanding performers through initiatives such as the 'Employee of the Year'. For the year 2010-2011, Staff were requested to nominate a colleague who had made outstanding contributions to UCDA / Community or who had initiated ideas that increased the efficiency and effectiveness of the Organisation. Mr. Apollo T. Kamugisha received the biggest number of nominations for his initiatives regarding quality improvement and so emerged the Employee of the year.

5.4 Board of Directors

In compliance with the terms and conditions of service, the UCDA Board appointed new Officers for the following positions; Strategy and Business Development Manager, Quality and Regulatory Services Manager, Principal Human Resource Officer, Principal Development Officer, Senior Procurement Officer, Administration Officer, Regional Coffee Extension Officer (Ntungamo), Laboratory Assistant, Accountant, and Senior Quality Controller.

The Board renewed employment contracts for the Board Secretary / HFA, Production Manager, 3 Principal Officers, and 17 Sub Regional Coffee Coordinators (SRCCs).

The Board of Directors held 12 meetings where they considered and approved various papers and reports; budget estimates and work plans for coffee year 2011/12, HR Review report, 2009/10 management letters and risks assessment report. The Board also held a brainstorming workshop on finding solutions to the current challenges facing the coffee subsector.

5.5 International Inter Governmental Meetings

Uganda continued to show her presence in the international coffee arena through attending meetings and conferences as shown below;

- 106th ICO Council sessions and other meetings from 26th -31st March 2011.
- Attended the ICO General meeting in September. At this general meeting, the UCDA Managing Director Mr. Henry Ngabirano was elected ICO Council Chairman.
- The 50th IACO Annual general meeting was however postponed due to political turmoil in Cote d'Ivoire.

5.6 Management Of Assets

- A revaluation of properties (land and buildings) was done leading to a positive growth in the UCDA net fixed assets. The revaluation of land and buildings saw a surplus of Ug. Shs 8,907 Million and an increment in net fixed assets by Ug Shs. 829 million.

- The existing fleet of 7 vehicles and 19 motor cycles was regularly serviced and maintained in good running condition. Procurement of 3 motor cycles was done in the period in an effort to replace an ageing fleet of motorcycles. Purchases of office and laboratory equipment were also made.
- In order to maximize rental incomes, regular maintenance and repair of buildings and equipment, was undertaken.

5.7 Shared Corporate Value, Memberships And Subscriptions

During the year, UCDA strengthened its commitment to creating social impact by supporting its team members, institutions and the local communities. This was demonstrated through the following specific areas of focus;

- UCDA continued to offer motivational initiatives that uplift Staff to serve the community better and to be socially responsible. Outstanding among the initiatives, is our health care policy that aims at improving employees' health and that of their families.
- Stakeholder efforts geared towards coffee improvement were recognised. UCDA recognized farmers who were outstanding in coffee handling and agricultural practices through farmer competitions. Outstanding farmers were given prizes such as solar panels, radios, hand pulpers and rehabilitation tools for their efforts. Prize-giving ceremonies were also geared at encouraging the rest of the community to adopt good farming and coffee handling practices.
- UCDA supported community initiatives by St. Charles Lwanga Church- Ntinda and the EAFCA Coffee Club.
- We continued to engage with a broad range of public and private through sponsorship of corporate league activities, and having linkages with the academia under the internship programme.
- We subscribed to several institutions such as; FDA, AFCA, Institute of Corporate Governance, UMA, Café Mundi and Federation of Uganda Employers.

5.8 Field Visits under Monitoring and Evaluation

- Several trips were undertaken for the registration and establishment of Coffee Promotion Centres for China and Egypt.
- 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 programmes as well as assess gaps in implementation need strategic interventions.



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
UGANDA COFFEE DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED 30TH SEPTEMBER, 2011

OFFICE OF THE AUDITOR GENERAL

UGANDA

UGANDA COFFEE DEVELOPMENT AUTHORITY (UCDA)

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th SEPTEMBER 2011

I have audited the accompanying financial statements of Uganda Coffee Development Authority which comprise the Statement of financial position as at 30th September 2011, the Statement of financial performance, the Statement of Cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 1 to 9.

Directors' responsibility for the financial statements

Under the provisions of the Uganda Coffee Development Authority (UCDA) Act (Cap 325), the Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with International Standards on Auditing. Those standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

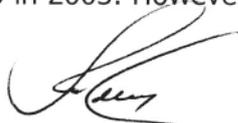
In my opinion the financial statements together with the notes thereon present fairly in all material respects, the financial position of Uganda Coffee Development Authority as at 30th September 2011 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Uganda Coffee Development Authority Act (Cap 325)

Emphasis of Matter

Without qualifying my opinion, attention is drawn to the matter described below;

Investments in Wet Coffee Processing Machines

The Authority invested Shs.834,815,878 in Wet Coffee Processing machines which were financed by government under the Strategic Exports Program. These machines were offered to the beneficiaries at a 50% discounted price under a finance lease arrangement managed by DFCU in 2003. However not all the machines were installed.



John F. S. Muwanga

AUDITOR GENERAL

KAMPALA

24th March 2012

PART "B"

DETAILED REPORT OF THE AUDITOR GENERAL

This Section outlines the detailed audit findings, management response, and my recommendations in respect thereof.

1.0 Investments in Wet Processing Equipments

As reported in the previous reports, it was noted that several wet coffee processing machines which were allocated to various beneficiaries had not been put to their intended use. Five of them had not been installed, while three had been partially installed and another five which had been installed and commissioned had not been operationalized. This implies that this investment may not be able to achieve the intended objective in the near future.

Management explained that given the high cost of installation the beneficiaries' efforts to secure operational funds from financial institutions had failed to materialize as a result of high costs of borrowing.

Management further highlighted the challenges facing the installation and operating of the wet mills as being high costs, competition in acquiring red cherry, high cost of borrowing and high working capital requirements.

In addition the intended Stanbic Bank financing intervention had not materialized none of the beneficiaries was able to finalize a deal with the bank. The rejuvenation of the DFCU financing lease had also not provided tangible solutions.

Management had in the meantime sought the Solicitor General's advice on this matter and was advised that the lease was purely a contractual matter and hence the law of contract had to be applied to it when determining whether or not to extend it.

I await Management action on this matter.

2.0 Rental Income arrears

Examination of rental income ledgers of the Authority revealed that by the close of the financial year, Shs.73,225,240 was due from the tenants. Whereas the tenancy

agreement was very clear that tenants had to pay three months in advance, many of them had continued to occupy the properties despite being in arrears. There seemed to be laxity in close monitoring from management. Some of the tenants had taken advantage of this leading to accumulation of arrears as reflected in the case of M/s Jay Links International (tenant) who after accumulating rental arrears to the tune of Shs.10,239,232 disappeared and could not be traced.

Management explained that despite reported reminders to tenants to pay, there were few that were difficult and as a result had accumulated arrears. The legal process of recovery and eviction had not helped to eliminate arrears as the tenants in question placed injunctions, paid up outstanding arrears and requested not to be evicted and fell back into arrears soon after.

Regarding Jay Links International, management explained that the Directors of the Company were involved in a fatal road accident and one of them died on the spot while the other was hospitalized for a long period. After contact with the surviving partner, it was established that the Company had become non- functional and therefore unable to pay the arrears. Steps were taken to hold on to the office furniture and equipment while the surviving partner attempted to make good of the debt. In the circumstances, a specific provision for bad debts in 2011/2012 for Shs.10,239,232 was considered.

I advised Management to strengthen rental collection procedures to minimize the risk of rental default.

3.0 **Assets Management:**

The entity owns quite a number of properties in the following places: Bugolobi flats block 33, Basker Avenue Kololo, Elizabeth Avenue Kololo, Windsor Crescent Kololo, Mutesa 11 road Ntinda and Bazara Drive Bugolobi. The rental income from these properties forms one of the major sources of revenue for the entity. A physical inspection carried out on these properties showed that almost all of the properties were in need of renovation. There was an earlier development plan drawn in 2007 for the rehabilitation of these houses, but no official communication was obtained from management as to why it did not take off. Meanwhile the rental fees charged on these

properties was below the market rates, possibly because of the poor condition in which these properties were. Rental income from these properties was likely to continue falling below the market rates if no immediate action is taken to renovate these properties.

Management explained that they had appointed an administration officer to undertake the role of estate management. The Board had also approved engagement of a property development consultant to prepare a property development plan whose procurement was under progress.

I advised Management to allocate funds in its budget for the purpose of rehabilitating the houses, as well as appointing an estates officer to oversee the status of the entity's estate and directly deal with the tenants.

FINANCIAL STATEMENTS

UGANDA COFFEE DEVELOPMENT AUTHORITY

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 SEPTEMBER 2011

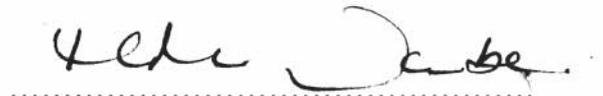
The Uganda Coffee Development Authority Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and its surplus or deficit. It also requires that the Authority keep proper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

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

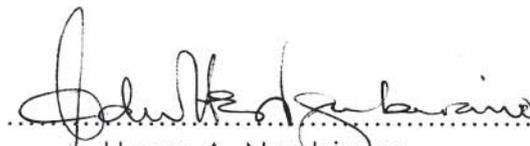
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the twelve months from the date of this statement.



.....
Mr Robert W. Nsibirwa
Chairman- Finance & Policy Committee



.....
Mr Kenneth Mugambe
Chairman- Audit Committee



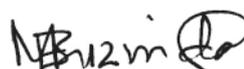
.....
Henry A. Ngabirano
Managing Director

UGANDA COFFEE DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 30 SEPTEMBER 2011

	Notes	2010/2011	2009/2010
Fixed Assets(Net)	2	14,352,831,935	5,782,955,592
Investments			
Investment in Joint ventures	9	134,994,346	226,156,536
Other investments and work in progress	10	407,532,905	407,532,905
Current Assets			
Short-term Fixed Deposit	3	1,735,000,000	1,319,210,213
Cash at Bank	4(a)	2,867,900,646	242,473,449
Cash at Hand	4(b)	366,300	117,400
Debtors	5	1,748,537,248	686,321,490
Prepayments	6	67,601,371	67,884,931
		6,419,405,565	2,316,007,483
Less Liabilities			
Creditors: Amounts falling due with in one year	7	1,743,047,454	1,644,248,605
Net Current Assets		4,676,358,111	671,758,878
Net Assets		19,571,717,395	7,088,403,912
FUNDED BY			
Funds of the Authority		2,216,750,000	2,216,750,000
Net Surplus		4,419,292,921	843,135,257
C.F.C Counter Funding		266,315,261	266,315,261
Capital Reserves		9,410,688,311	503,532,492
Asac Funding		746,529,785	746,529,785
Stabex Funding		847,800,000	847,800,000
UCDA Coffee Seedlings	8	1,664,341,117	1,664,341,117
TOTAL		19,571,717,395	7,088,403,912



HENRY A. NGABIRANO
MANAGING DIRECTOR



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

UGANDA COFFEE DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR PERIOD ENDING 30 SEPTEMBER 2011

	Notes	2010/2011 U Shs	2009/2010 U Shs
REVENUE			
	1		
UCDA Revenue and share of Joint Venture		12,674,116,246	7,173,296,312
Less: Share of Joint Venture Turnover		155,102,981	150,478,947
Total Operating Revenue		12,519,013,265	7,032,418,458
OPERATING EXPENSES			
Staff Costs	2	2,405,878,355	2,388,537,521
Administrative Expenses	3	864,653,271	1,073,177,991
Programme Expenses	4	4,381,652,387	3,493,120,667
Support to Coffee Organisations	5	109,820,040	109,572,000
International Obligations	6	524,480,083	421,199,000
Depreciation/ Provisions	7	512,500,850	252,746,443
Total Operating Expenses		8,798,984,986	7,738,353,622
UCDA Operating Surplus/ (Deficit)		3,720,028,279	(705,935,164)
Loss on disposal of fixed assets		2,294,480	-
Share of joint Venture loss in China		(126,639,007)	(88,491,799)
Share of joint Venture loss in Egypt		(9,963,134)	(41,145,618)
Share of joint Venture loss in Denmark		(18,500,840)	(20,841,530)
Net Surplus/ (deficit)		3,562,630,818	(856,414,111)

UGANDA COFFEE DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR PERIOD ENDING 30 SEPTEMBER 2011

	2010/2011 U. Shs	2009/2010 U. Shs
Net Operating Surplus	3,562,630,818	(856,414,111)
Depreciation	431,447,851	223,655,095
Loss on disposal of fixed assets	2,294,480	-
Provision for bad & Doubtful debts	81,052,999	29,091,348
Unrealised loss on IACO b/fwd balance	123,694,427	
Prior year adjustments	13,526,257	52,779,658
increase in Debtors & prepayments	(980,879,199)	63,693,898
increase in Liabilities	(98,798,849)	524,395,761
Net cash flows from operating activities	3,134,968,784	37,201,649
INVESTING ACTIVITIES		
Construction of Laboratory equipment/Land & Buildings	-	(1,200,000)
Purchase of computers	(23,226,260)	(5,510,000)
Purchase of Furniture	(11,140,000)	(6,255,000)
Purchase of Liquoring Equipment	(18,095,810)	12,067,860
Purchase of Office Equipment	(1,878,080)	(9,335,088)
Purchase of Motorcycles	(39,162,750)	-
Purchase of Moisture meters	-	(116,348,000)
Purchase of Espresso Machine	-	-
Purchase of Farm equipment	-	(28,800,000)
Disposal of Fixed Assets	-	-
Net Cash from Investing Activities	(93,502,900)	(183,468,948)
FINANCING ACTIVITIES		
Lease repayments to DFCU	-	-
Net Cash from Financing Activities	-	-
NET CASHFLOW	3,041,465,884	(142,314,299)
ANALYSIS OF CHANGES IN CASH & CASH EQUIVALENT		
Closing Bank Balances	4,602,900,646	1,561,683,662
Closing Cash Balances	366,300	117,400
Opening Bank Balance	(1,561,683,662)	(1,704,107,861)
Opening cash Balance	(117,400)	(7,500)
INCREASE IN CASH & CASH EQUIVALENT	3,041,465,884	(142,314,299)

UGANDA COFFEE DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	2010/2011 U Shs	2009/2010 U Shs
Retained surplus at the beginning of the year	843,135,846	1,646,769,710
Prior year adjustments	13,526,257	52,779,658
Operating Surplus/ Deficit for the year	3,562,630,818	(856,414,111)
Retained surplus at the end of the year	4,419,292,921	843,135,257

Prior year adjustments**1. UCDA**

2009/2010 Debtors provision added back	29,091,348
write back of excess depreciation on motorcycles & office equipment in 2009/2010	9,612,415
Write back of cost of Exhibition plot in Jinja Show grounds	(4,705,960)
Translation differences of IACO brought forward balances	(84,411,847)
	(50,414,044)

2. China*Translation differences*

B/fwd consolidated retained earnings as at 1.10.10	51,530,813
translated at @ exch rate as at 30.9.11-438.889	68,592,047
Difference	17,061,234
Assets as at 30.9.10	1,160,938
Assets b fwd @1.10.10	865,493
difference	(295,445)
Liabilities as at 30.9.10	1,003,074
Liabilities b fwd @1.10.10	699,904
difference	303,170
99% share	7,648
translated @ exch rate 438.889	3,356,596
Retained earnings as at 30.9.10	(2,223,419)
Retained earnings b fwd @1.10.10	(2,350,616)
difference	(127,197)
translated @ exch rate 438.889	55,267,063
Total Adjustment on China	75,684,893

3. Egypt*Translation differences*

B/fwd consolidated retained earnings as at 1.10.10	(53,691,893)
translated at @ exch rate as at 30.9.11-469.326	(65,436,485)
Difference	(11,744,592)
Total Adjustment on Egypt	(11,744,592)

TOTAL PRIOR YEAR ADJUSTMENTS**13,526,257**

UGANDA COFFEE DEVELOPMENT AUTHORITY

NOTES TO THE FINAL ACCOUNTS FOR PERIOD ENDED 30 SEPTEMBER 2011

1.1 BASIS OF ACCOUNTING

The accounts of the Authority are prepared under the historical cost convention. Land & buildings have however been revalued to bring into the books their fair value and also separate the value of land and buildings in compliance to IAS 16.

1.2 RECOGNITION OF REVENUE

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

1.3 DEPRECIATION & IMPAIRMENT

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

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

Land on leasehold has been amortised over the remaining lease period.

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

1.4 BAD AND DOUBTFUL DEBTS

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

1.5 CONVERSION AND TRANSLATION OF FOREIGN TRANSACTIONS

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

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

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

1.6 GOVERNMENT CONTRIBUTIONS ON VOTE 160: UGANDA COFFEE DEVELOPMENT AUTHORITY

Total Government contribution was Shs 573,124,000 for the coffee year 2010/2011.

UGANDA COFFEE DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 SEPTEMBER 2011

COST/VALUATION	Land & Buildings	Land	Buildings	Office Furniture	Computer & Peripherals	Office Equipment	Motor Vehicles	Commercial Vehicles	Liquoring Equipment	Motor Cycles	Generator	Moisture Metres	Espresso Machines	Farm Equipment	TOTAL
At 1 October 2010	7,307,844,181	0	0	251,450,508	283,985,173	168,309,232	177,002,159	340,946,135	270,887,492	54,484,380	61,370,771	132,809,000	10,890,000	28,800,000	9,088,779,031
Revaluation surplus	(7,302,844,181)	4,080,000,000	12,130,000,000	0	0	0	0	0	0	0	0	0	0	0	8,907,155,819
Additions Oct - Sept 11	0	0	0	11,140,000	23,226,260	1,878,080	0	0	18,095,810	39,162,750	0	0	0	0	93,502,900
Disposals Oct - Sept 11	(5,000,000)	0	0	(230,000)	(80,943,516)	(1,730,000)	0	0	0	(11,946,480)	0	0	0	0	(99,849,996)
At 30 Sept 2011	0	4,080,000,000	12,130,000,000	262,360,508	226,267,917	168,457,312	177,002,159	340,946,135	288,983,302	81,700,650	61,370,771	132,809,000	10,890,000	28,800,000	17,989,587,754
DEPRECIATION															
At 1 October 2010	2,097,540,078	0	0	202,733,854	247,316,732	91,160,997	128,309,108	247,426,901	191,822,393	34,953,410	39,442,134	19,205,049	2,456,784	3,456,000	3,305,823,441
Revaluation	(2,097,246,038)	527,869,454	1,569,376,592	0	0	0	0	0	0	0	0	0	0	0	0
Disposals Oct - Sept 11	(294,040)	0	0	(92,070)	(79,703,966)	(11,021,729)	0	0	0	(9,403,666)	0	0	0	0	(100,221,431)
Depreciation Oct - Sept 11	0	106,789,687	211,212,468	7,166,247	19,356,200	10,598,165	9,738,610	23,379,808	11,659,309	11,230,181	2,631,436	13,632,474	1,011,986	3,041,280	431,447,852
Accumulated Dep'n at 30.9.11	0	634,659,141	1,780,589,060	209,808,031	186,968,966	90,737,433	138,047,718	270,806,710	203,481,702	36,779,925	42,073,570	32,837,523	3,468,770	6,497,280	3,636,755,830
NET BOOK VALUE															
At 30.9.2010	5,210,304,103	0	0	48,716,654	36,668,441	77,148,235	48,693,051	93,519,234	79,065,100	19,530,970	21,928,637	113,603,950	8,433,216	25,344,000	5,782,955,592
At 30.9.2011	0	3,445,340,859	10,349,410,940	52,552,477	39,298,951	77,719,879	38,954,441	70,139,425	85,501,600	44,920,725	19,297,201	99,971,477	7,421,230	22,302,720	14,352,831,935

UGANDA COFFEE DEVELOPMENT AUTHORITY

NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2011

NOTE 3: SHORT-TERM FIXED DEPOSITS		
	2010/2011	2009/2010
Pension	370,000,000	526,000,000
Operations	1,365,000,000	793,210,213
Total	1,735,000,000	1,319,210,213
NOTE 4(a): CASH AT BANK		
		2009/2010
Stanbic Bank City Branch A/C 0140007511801	542,155,746	90,592,649
Stanbic Bank City Branch A/C 0140007222101	356,773,949	1,395,903
Standard Chartered Bank (Salary Account)	1,125,971,342	80,969,902
Standard Chartered Bank (Staff Pension Funds)	190,396,266	46,830,325
Barclays Bank Ltd. (Rent Account)	128,890,455	8,464,457
Housing Finance Company of Uganda Ltd	78,870	118,253
Tropical Africa Bank	523,146,405	2,411,117
Tropical Africa Bank Dollar A/C	487,613	11,690,843
BOU- Govt funding	-	
Total	2,867,900,646	242,473,449
	2010/2011	2009/2010
NOTE 4(b): CASH AT HAND	366,300	117,400
NOTE 5: DEBTORS		
	2010/2011	2009/2010
Staff Advances	86,229,317	
Motor Vehicle Loan scheme	104,342,944	190,572,261
Rent Receivable	73,225,240	
5% General Provision for bad and doubtful debt for rent	(2,763,362)	
Specific bad debt provision- for rent		70,461,878
Cess Debtors	1,565,792,746	
5% General Provision for bad and doubtful debt for cess	(78,289,637)	
Specific bad debt provision- for cess		1,487,503,109
Total	1,748,537,248	686,321,490
NOTE 6: PREPAYMENTS(Rent for regional Offices)		
	2010/2011	2009/2010
Rent for Regional Offices	900,000	9,325,000
SCAJ & SCAA	48,939,031	51,856,000
Others (ISP,Subscriptions, & Parking stickers)	17,762,340	6,703,931
Total	67,601,371	67,884,931

NOTE 7: CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010/2011	2009/2010
Prepaid Export Licence	6,000,000	1,500,000
Prepaid coffee processing fees	300,000	
Prepaid Rent	74,744,038	76,857,278
Inter Africa Coffee Organization (IACO)	373,139,001	304,709,354
DFCU Leasing facility		
Retirement Benefit Scheme	555,053,133	567,487,191
RBS payable	1	
NSSF payable	(8)	
Accruals	718,817,586	702,064,048
Local Service tax	3,632,500	3,632,500
SCB Staff loan		
withholding tax	15,727,646	605,040
PAYE	192,344	192,343
Water/Gabage	4,502,903	(6,852,870)
VAT	(9,061,690)	(5,946,279)
Total	1,743,047,454	1,644,248,605

NOTE 8: SUPPORT TO UCDA COFFEE SEEDS

	2010/2011	2009/2010
	1,664,341,117	1,664,341,117

NOTE 9: INVESTMENT IN JOINT VENTURES

	2010/2011	2009/2010
Share of Assets in China	712,816,744	378,958,605
Share of Liabilities in China	(712,240,167)	(327,428,210)
Share of Assets in Egypt	265,804,000	207,799,700
Share of Liabilities in Egypt	(341,202,912)	(261,491,489)
Share of Assets in Denmark	211,046,680	228,727,930
Share of Liabilities in Denmark	(1,230,000)	(410,000)
Total	134,994,345	226,156,536
Exchange rates used		
China	438.889	329.722
Egypt	469.326	385.094

NOTE 10: OTHER INVESTMENTS

	2010/2011	2009/2010
Wet Processing Machines	417,407,905	417,407,905
Other Investments	(9,875,000)	(9,875,000)
Total	407,532,905	407,532,905

UGANDA COFFEE DEVELOPMENT AUTHORITY

NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2011

1	REVENUE	2010/2011 U Shs	2009/2010 U Shs
	Cess 1%	11,114,301,231	5,533,835,454
	Rent Income	586,519,118	495,352,560
	Interest Earned	72,432,680	71,953,905
	Export & processing licence	97,010,000	90,052,000
	Sundry Income	75,626,236	53,251,222
	Government Contribution	573,124,000	787,973,317
		12,519,013,265	7,032,418,458
OPERATIONAL EXPENSES			
2	Staff Costs		
	Salaries and Wages	1,442,147,229	1,405,113,812
	Performance Allowance	10,332,500	10,797,000
	Public Holiday Expenses	23,857,600	20,660,000
	Leave Allowance	250,915,400	178,813,394
	N.S.S.F. Contribution	163,413,105	140,371,366
	General Staff Welfare	21,162,100	14,909,650
	Welfare Costs (funerals)	4,830,000	3,150,000
	Retirement Benefit Scheme	210,158,223	206,212,497
	Contract Gratuity	33,715,943	121,971,893
	Staff training	32,028,177	61,820,715
	Outsource Allowance	14,400,000	28,319,500
	Medical Insurance	115,806,200	129,683,810
	Fuel town running/refund	60,077,119	58,577,500
	Acting Allowance	23,034,759	8,136,384
		2,405,878,355	2,388,537,521
3	Administrative Expenses		
	Maintenance and Consumables		
	Repairs - Buildings	29,023,521	73,170,954
	Repairs - Office Equipment	20,860,736	6,924,180
	Other Services/Office Cleaning	48,970,584	43,042,392
	Repair & Maintenance - Cars	23,363,862	17,794,890
	Motor vehicle fuel	71,705,000	59,958,000
	M & S - Auto Supplies	36,033,049	30,919,078
	Vehicle Registration/Licences	3,605,000	3,522,200
		233,561,752	235,331,694
	Establishment expenses		
	Telephone, Fax Bills	40,765,171	51,894,607
	Postage, and Delivery	11,934,930	8,520,420
	Professional Fees	30,438,216	119,963,000
	Donations/Contributions	3,130,000	14,940,461
	Insurance	49,570,541	40,487,751
	Utilities - Water	14,681,336	16,099,398
	Utilities - Electricity	35,192,013	35,087,999
	Bank Charges/Interest Charges	21,610,523	31,365,837
	Property Rates and taxes	27,864,582	27,988,991

Printing & Stationery	33,767,360	31,483,838
News Papers/Periodicals/subscription	6,051,374	10,608,174
Directors Expenses	72,692,967	73,560,818
Monitoring & Evaluation	5,894,500	38,315,000
Office Security	45,124,800	42,127,904
Internal Travel Costs	33,104,876	35,694,570
Legal Fees	17,628,000	13,400,000
Foreign Exchange Differences	(2,321,783)	32,585,105
Rental Income tax	106,545,023	94,907,696
Brochures, Corporate shirts& cards	14,646,700	18,492,030
External Travel -ICO	50,560,780	71,116,498
External Travel - IACO	12,209,610	29,209,200
	631,091,519	837,849,297
	864,653,271	1,073,180,991
	2010/2011	2009/2010
4 Programme Expenses	U Shs	U Shs
Research and Development Costs		
COREC Support	1,093,738,674	553,288,598
District Coffee Coordinators	152,288,696	151,583,487
Monitoring & Evaluation		-
Replanting Program	1,116,575,054	1,088,277,582
Training and seminars	230,119,429	126,184,000
Stakeholders Meeting		-
Coffee Development in N. Uganda	164,409,550	73,080,260
Regional Officers facilitation	84,802,800	77,428,100
	2,841,934,203	2,069,842,027
Information Systems		
Departmental Publications	22,259,930	15,994,000
Market Evaluation/Stock Survey	9,527,000	5,229,500
Information Technology Functions	59,555,302	51,063,234
	91,342,232	72,286,734
Quality and Regulatory		
Technical Extension Services	161,000,648	84,834,399
Coffee & Quality Enhancement	217,115,549	154,118,623
	378,116,197	238,953,022
Coffee Promotion & Market Development	960,275,740	963,332,543
Common Technical Programs		
Local Tradefairs & Exhibition	-	19,498,400
Radio Programs	46,855,200	35,453,000
Publicity & Advertisement	63,128,815	93,754,941
	109,984,015	148,706,341
	4,381,652,387	3,493,120,667

5	Other Support Expenses		
	Support to Coffee Organisations		
	UCTF Support	46,990,040	46,990,000
	NUCAFE Support	57,760,000	56,312,000
	Coffee Roasters Association	5,070,000	6,270,000
		109,820,040	109,572,000
6	International Obligations		
	ICO - Contributions	149,766,435	118,996,000
	IACO - Contributions	374,713,648	302,203,000
	ADB/IACO Capacity Building		
		524,480,083	421,199,000
7	Depreciation/Provisions		
	Land and Buildings		103,332,737
	Land	106,789,687	-
	Buildings	211,212,468	-
	Office Furniture	7,166,247	6,643,180
	Computers and Peripherals	19,356,200	18,060,575
	Office Equipment	10,598,165	10,520,214
	Motor Vehicle	9,738,610	12,173,263
	Commercial Vehicle	23,379,808	31,173,078
	Liquoring Equipment	11,659,309	10,781,604
	Moisture meters	13,632,474	15,491,448
	Motor Cycle	11,230,181	4,882,743
	Generator	2,631,436	2,990,269
	Espresso Machine	1,011,986	1,149,984
	Farm Equipment	3,041,280	3,456,000
	Provision for Cess/Rent/staff debtors	81,052,999	29,091,348
		512,500,850	249,746,443

STATISTICAL ABSTRACT

Appendix I: Coffee Procurement Figures in 60-Kilogramme Bags

Month	2009			2010			2011		
	Actual			Actual			Actual		
	Robusta	Arabica	Total	Robusta	Arabica	Total	Robusta	Arabica	Total
Jan	281,599	62,001	343,600	200,454	65,080	265,534	165,114	52,300	217,414
Feb	272,146	72,005	344,151	193,502	75,008	268,510	160,006	53,107	213,113
Mar	202,168	63,532	265,700	152,103	76,159	228,262	155,001	52,176	207,177
Apr	195,213	62,015	257,228	92,018	75,000	167,018	165,002	45,089	210,091
May	214,126	72,016	286,142	121,513	89,523	211,036	200,444	49,150	249,594
Jun	225,013	51,023	276,036	179,494	95,096	274,590	315,013	52,087	367,100
Jul	210,156	45,000	255,156	181,255	82,132	263,387	354,121	53,104	407,225
Aug	190,225	50,332	240,557	122,800	53,250	176,050	280,123	52,009	332,132
Sep	175,001	50,135	225,136	174,300	52,983	227,283	237,119	50,653	287,772
Oct	165,911	60,500	226,411	120,412	68,529	188,941	155,167	50,123	205,290
Nov	206,504	50,201	256,705	212,477	69,323	281,800	160,012	65,012	225,024
Dec	225,637	65,123	290,760	230,428	45,311	275,739	170,235	69,015	239,250
Total	2,563,699	703,883	3,267,582	1,980,756	847,394	2,828,150	2,517,357	643,825	3,161,182

Source: UCDA Database

Appendix II: Monthly Coffee Exports by Individual Companies in 60-Kilo bags in 2010/11

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Total	188,012	266,726	237,747	175,540	247,460	370,924	376,173	308,739	340,378	215,180	193,965	228,579	3,149,423
UGACOF LTD	26,712	30,049	38,314	16,509	35,936	52,178	60,552	47,799	65,870	24,892	38,714	34,785	472,310
KYAGALANYI COFFEE LTD	29,702	39,443	18,780	18,445	29,637	42,696	25,090	39,745	41,578	36,577	20,910	35,420	378,023
KAWACOM (U) LTD	24,746	24,092	20,754	16,016	27,064	26,783	28,639	42,227	30,758	21,370	20,204	28,252	310,905
OLAM	7,156	1,534	22,920	30,647	19,894	17,129	38,279	24,731	31,665	24,886	31,026	24,554	274,421
SAVANNAH	15,876	18,912	23,688	11,113	20,602	34,338	37,880	25,610	9,500	13,486	5,310	8,552	224,867
LD COMMODITIES LTD	2,326	50,413	11,961		1,294	26,326	9,392	1,967	64,831	350	8,068	27,716	204,644
LAKELAND HOLDINGS LTD	4,092	12,912	6,963	12,900	6,440	28,130	33,151	22,490	13,310	11,317	9,230	15,674	176,609
KAMPALA DOMESTIC STORE	17,370	16,210	18,428	12,524	18,352	25,610	25,432	15,818	10,957	5,175	3,857	2,414	172,147
IBERO (U) LTD	7,360	6,511	12,129	11,180	15,421	19,919	19,110	13,118	16,345	15,558	11,200	11,760	159,611
GREAT LAKES	18,407	14,370	12,538	9,830	12,600	14,874	11,797	3,700	10,972	10,828	10,726	11,862	142,504
PAN AFRIC IMPEX (U) LTD	6,100	10,130	7,668	7,473	13,534	19,050	24,734	14,078	9,508	11,125	7,255	4,710	135,365
JOB COFFEE	5,749	10,580	8,205	7,045	9,991	13,169	19,078	22,841	9,886	8,939	6,065	4,000	125,548
WABULUNGU M-PUR ESTATES L	4,939	11,172	8,394	7,178	16,713	13,952	7,831	3,076		12,975	5,164	2,402	93,796
KAMBA PETROLEUM	5,280	6,833	5,796	2,308	3,578	8,773	6,749	2,656	3,848	5,053	5,293	2,989	59,156
NAKANA COFFEE FACTORY	3,400	6,514	7,449	1,323	4,006	6,844	6,376	4,678	664	6,699	4,021	1,003	52,977
ARMAJARO				3,488	1,304	10,860	10,704	11,898	6,725				50,229
PENFORM	2,450	700	7,200	1,500	5,420	3,127	2,100	2324	1,336	2,100	700		28957
MBALE IMPORTERS & EXPORTE	1,960	1,610	2,630	1,857	1,640	980		830	330	320	1,970	980	15,107
ANKOLE COFFEE PROD CO-OP	660	650	970	640	640	680	930	2,380	2,310	330	680	330	10,560
KAWERI COFFEE PLANTATION		640	1,920	640	640	320	320	613		2,880		2,012	9,985
ANKOLE COFFEE PROCESSORS	1,370	1,400	360		1,334	1,060	2,100	1,370			685		9679
BAKWANYE TRADING CO LTD	640	960		1,294	1,360	1,040		960	1,360	320		974	8,908
COFFEE SERVICES LTD	360	360	360	360			2,319	1,992	660			1,800	8,211
GUMUTINDO COFFEE COOP ENT	320	320	320	570		2,040	320	320	800		1,850	1,140	8,000
ANDERSON INVESTMENT LTD.	383	61					1,300		4,631				6,375
KITASHA BUYERS LTD					700	1,046	700						2,446
A.J.S. COFFEE COMPANY	320							288	634		700		1,942
GATTO ESTATES								900	960				1,860
THREE FARMERS CO. LTD							990	330	340				1,660
UGANDA COFFEE EXPORT CENTRE		350		700									1,050
RISALA (U) LTD									600				600
UNION EXPORT SERVICES	334												334
TRANSGAZ COMPANY LTD							300						300
ZIGOTI COFFEE WORKS											293		293
BRIDGE COMMODITIES											44		44

APPENDIX III: COFFEE EXPORTS BY VOLUME AND VALUE 2006/07-2010/11

GRADE	2010/11		2009/10		2008/09		2007/08		2006/07	
	QTY	VALUE \$								
TOTAL	3,149,423	448,890,669	2,668,971	266,715,621	3,053,688	291,761,739	3,210,603	338,398,200	2,704,236	256,580,844
ROBUSTA	2,484,013	294,606,045	1,957,400	163,484,690	2,405,137	212,848,980	2,713,498	316,060,409	2,144,482	192,779,546
OCT	118,422	10,761,243	146,711	11,789,081	151,155	17,139,504	131,879	12,722,394	115,013	9,287,693
NOV	200,269	19,394,818	185,004	15,012,284	220,268	21,582,136	165,986	16,742,817	174,587	14,744,480
DEC	187,487	18,580,525	208,903	16,509,486	251,386	24,439,607	237,168	24,416,389	196,685	16,369,909
JAN	159,880	17,495,886	209,993	17,019,416	269,395	24,046,556	326,466	34,736,650	255,416	21,368,320
FEB	142,834	15,938,202	184,432	14,653,763	248,364	22,481,152	281,583	31,583,620	182,090	15,137,262
MAR	172,243	20,795,170	145,988	11,613,230	195,535	16,769,099	238,938	30,141,261	207,763	17,251,142
APR	129,578	15,844,878	91,882	7,242,599	142,893	11,754,995	177,037	22,484,225	94,685	8,026,750
MAY	193,356	24,484,235	105,498	8,641,248	158,341	12,875,835	179,389	21,620,095	139,965	12,762,155
JUN	306,392	41,108,666	173,598	14,644,776	209,503	17,194,480	228,771	27,944,904	208,479	20,283,411
JUL	334,502	44,052,764	210,977	18,950,466	215,767	16,910,898	289,684	36,693,251	227,364	23,556,869
AUG	257,823	32,059,107	170,178	16,056,668	203,986	16,433,983	276,757	34,705,424	195,432	19,395,567
SEPT	281,227	34,090,553	124,236	11,351,674	138,544	11,220,734	179,840	22,269,379	147,003	14,595,988
ARABICA	665,410	154,284,625	711,571	103,230,931	648,551	78,912,759	497,105	72,337,793	559,754	63,801,298
OCT	69,590	12,539,111	52,300	6,883,497	28,079	3,818,259	40,697	4,927,599	40,558	4,069,398
NOV	66,457	12,811,912	48,507	6,950,918	46,464	5,892,864	32,878	4,257,336	76,141	8,215,760
DEC	50,260	10,111,007	63,852	9,188,988	47,262	5,878,310	35,351	5,068,397	52,024	5,836,821
JAN	55,300	12,485,120	53,021	8,126,715	59,816	6,422,790	34,409	4,990,387	60,712	6,999,422
FEB	51,131	11,950,718	78,361	11,624,043	71,241	8,562,260	36,430	5,389,755	40,009	5,008,525
MAR	56,336	14,044,553	73,696	10,352,161	60,722	7,154,243	40,310	6,156,947	57,636	6,977,573
APR	45,962	11,152,999	60,758	8,303,960	62,832	7,304,272	60,189	9,477,784	42,471	4,928,768
MAY	54,104	14,771,417	71,882	9,592,094	62,279	7,290,706	52,053	7,878,807	44,595	5,144,792
JUN	64,532	17,112,925	61,358	8,376,326	44,523	6,016,435	49,336	7,581,507	36,300	4,000,843
JUL	41,671	10,376,649	55,238	8,581,474	49,800	6,453,488	35,396	5,324,249	41,500	4,776,409
AUG	50,916	12,193,492	47,106	7,645,086	56,250	7,128,798	47,370	6,802,180	35,417	4,101,088
SEP	59,151	14,734,721	45,492	7,605,669	59,283	6,990,335	32,686	4,482,845	32,391	3,741,899

APPENDIX IV: WEIGHTED AVERAGE UNIT PRICE BY TYPE BY GRADE BY MONTH IN COFFEE YEAR 2010_11 IN US\$ PER KILO

	Month												Weighted Average
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
TOTAL	2.07	2.01	2.01	2.32	2.40	2.54	2.56	2.64	2.62	2.41	2.39	2.39	2.38
ROBUSTA	1.51	1.61	1.65	1.82	1.86	2.01	2.04	2.11	2.24	2.19	2.07	2.02	1.98
WASHED ROBUSTA	1.45	2.10	1.96	2.04		2.45	2.65	2.88	2.54	2.58	2.43	2.29	2.21
ORGANIC ROBUSTA	1.76	1.91				2.13	2.65			2.60	2.60	2.56	2.20
SCREEN 18	1.68	1.70	1.76	1.94	1.99	2.30	2.33	2.33	2.38	2.47	2.23	2.19	2.14
SCREEN 17	1.66	1.67	1.80	1.74	1.96	2.10	2.35	2.47	2.44	2.64	2.16	2.30	2.19
SCREEN 15	1.62	1.65	1.73	1.88	1.96	2.07	2.21	2.31	2.34	2.27	2.14	2.14	2.06
SCREEN 14					1.94	1.94							1.94
SCREEN 13	1.47	1.65	1.56	1.65	1.98	2.07	2.16	2.19					1.81
SCREEN 12	1.45	1.51	1.61	1.75	1.76	2.05	2.10	2.23	2.24	2.16	2.03	1.98	1.99
BHP 1199	0.98	1.32	1.23	1.40	1.30	1.55	1.30	1.36	1.41	1.44	1.43	1.39	1.34
OTHER ROBUSTA	1.10	1.22	1.17	1.27	1.40	1.42	1.50	1.65	1.74	1.64	1.81	1.62	1.54
ARABICA	3.00	3.21	3.35	3.76	3.90	4.15	4.04	4.55	4.42	4.15	3.99	4.15	3.86
ORG OKORO	4.08	4.09	4.08	4.54	4.71	4.89	5.95	5.84	5.56	5.69	4.61	4.56	4.86
ORG BUGISU	3.97	4.41	4.35	4.71	4.30	5.09		5.41	5.70	5.55	5.13	5.73	4.92
BUGISU AA	3.43	3.77	3.83	4.27	4.46	4.91	5.00	5.27	5.17	5.31	5.32	5.23	4.51
BUGISU A	2.71	3.77	4.45	4.19	3.96	3.31	4.21	5.67	5.33	4.92	4.87	3.93	4.75
BUGISU PB	2.71	4.41			4.17		4.63	5.32		5.18	4.74	3.97	4.81
ARA_AB	3.34	3.83	4.05	4.12	4.63	4.60	4.25	4.99	4.91	4.94	4.41	4.87	4.29
ARA_CPB	3.48	3.82	4.10	3.84	4.28	3.14	3.31	3.31	5.02	4.41	4.19		3.85
BUGISU B					4.34				4.48		4.74		4.48
C			2.98				3.75	4.52	4.63				3.78
MIX. ARA.			1.65										1.65
WUGAR	3.60	3.73	4.45	4.66	4.60	6.06	3.89		4.34		4.17	5.12	4.33
DRUGAR	3.08	3.20	3.45	3.39	3.94	4.54	4.47	4.66	4.35	4.14	3.95	4.21	3.96
OTHER ARABICA	1.45	1.43	1.60	2.35	2.31	2.14	1.86	2.26	2.05	2.23	2.15	2.26	2.00

APPENDIX V: PERFORMANCE OF INDIVIDUAL EXPORTERS IN THE PAST 5 YEARS IN 60-KILO BAGS

	2010/11	2009/10	2008/09	2007/08	2006/07	Average	% Mkt Share
Grand Total	3,149,423	2,668,971	3,053,688	3,210,603	2,704,236	2,957,384	
Kyagalanyi Coffee Ltd.	378,023	401,404	527,572	512,715	408,536	445,650	16.16
Ugacof Ltd.	472,310	336,554	285,198	474,083	566,687	426,966	14.13
Kawacom (U) Ltd.	310,905	331,667	407,408	434,819	358,553	368,670	13.43
Savannah Commodities.	224,867	206,321	225,619	186,224	101,570	188,920	5.53
Great Lakes Co. Ltd	142,504	201,158	271,351	237,089	225,234	215,467	8.31
Ibero (U) Ltd.	159,611	186,406	201,811	270,128	189,167	201,425	7.04
Kampala Domestic Store	172,147	154,242	241,947	222,068	74,870	173,055	5.26
Olam (U) Ltd.	274,421	153,548	113,570	35,233	82,199	131,794	4.13
Job Coffee	125,548	147,502	221,151	271,203	209,460	194,973	6.68
Pan Afric Impex	135,365	125,041	73,055	115,799	195,044	128,861	5.91
Nakana Coffee Factory.	52,977	73,980	71,094	78,280	60,344	67,335	2.35
Lakeland Holdings Ltd.	176,609	66,608	228,570	200,487	59,330	146,321	4.35
Coffee World Ltd.		51,226	11,458	-	-	31,342	0.46
Kamba Petroleum, Ltd.	59,156	32,797	3,322	-	-	31,758	0.27
Mbale Importers & Exporters	15,107	31,070	23,950	14,690	27,480	22,459	0.83
LD Commodities Ltd.	204,644	28,974	668	-	-	78,095	0.22
Ankole Coffee Processors		26,200	1,640	-	-	13,920	0.20
Wabulungu Multi-Purpose.	93,796	19,153	61,829	90,413	84,271	72,676	2.07
Penform Trading Co. Ltd	28,957	17,278	-	-	-	23,118	0.13
Kaweri Coffee Plantation	9,985	16,480	12,223	15,360	8,635	12,537	0.40
Anderson Investment Ltd.	6,375	13,065	1,080	8,792		7,328	0.28
Gumutindo Coffee Co-op	8,000	7,460	8,273	6,739	6,684	7,431	0.26
A.J.S Coffee	1,942	7,244	-	-	-	4,593	0.05
Ankole Coffee Producers	10,560	7,120	-	-	-	8,840	0.05
Kitasha	2,446	5,665	3,274	2,800	6,190	4,075	0.13
Senti Initiatives Ltd.		5,591	-	1,050	-	3,321	0.05

Coffee Services	8,211	5,000	6,394	-	-	-	6,535	0.08
Bakwanye Trading Co.	8,908	4,540	5,120	4,480	3,200	3,200	5,250	0.14
Anitas Coffee		3,287	-	-	-	-		0.02
Bugisu Co-op Union		990	-	-	-	-	198	0.01
Lwanyaga Coffee Factory		334	-	-	-	-		0.00
Union Export Services	334	334	22,594	13,803	28,394	28,394	13,092	0.70
Elgon Commodities Ltd.		330	-	-	-	-		0.00
Uganda Coffee Export Centre	1,050	312	-	-	-	-	681	0.00
Nile Highland Arabica		90	145	54	-	-	96	0.00
Zigoti Coffee Works Ltd	293	-	320	-	300	300	304	0.01
MTL Main Traders		-	-	200	5,249	5,249	2,725	0.28
Victoria Coffee Ltd		-	2,045	-	-	-		0.03
Good African Coffee (Rwenzori)		-	-	1,294	2,222	2,222	1,758	0.03
Ankole Coffee Processors	9,679	-	-	-	-	-		
Semilki Rift Investment		-	320	12,800	-	-	6,560	0.16
Lamba International		-	-	-	267	267		0.00
Lion General Agency		-	-	-	350	350		0.00
Busingye & Co		-	5,296	-	-	-		0.10
Bagain (U) Ltd		-	8,580	-	-	-		0.16
Libra Commodities		-	3,582	-	-	-		0.07
Yaka (U) Ltd.		-	2,331	-	-	-		0.04
Green Holdings		-	898	-	-	-		0.02
Armanjaro	50,229							
Gatto Estates	1,860							
Three Farmers	1,660							
Risala	600							
Bridge Commodities	44							
Transgaz Company Ltd	300							

APPENDIX VI: 24-YEAR EXPORT PERFORMANCE SERIES BY TYPE & UNIT PRICE - \$/KILO

Coffee Year	- in 60 Kilo Bags -						Total			Unit Price in US \$ /Kilo		
	Robusta			Arabica			Qty	Value \$	Robusta	Arabica	Average price	
	Qty	Value \$	Qty	Value \$	Value \$							
1987/88	2,177,359	243,245,519	140,982	19,994,054	2,318,341	263,239,573	1.86	2.36	1.89			
1988/89	2,938,860	273,806,235	175,536	21,061,646	3,114,396	294,867,881	1.55	2.00	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	1.30	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	1.40			
1997/98	2,691,278	227,361,611	341,060	49,112,624	3,032,338	276,474,235	1.41	2.40	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	0.40	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	0.70	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	1.50	1.90	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			
AVERAGE	2,429,571	182,973,456	424,899	50,390,393	2,854,471	233,363,849	1.25	1.88	1.33			

APPENDIX VII: UGANDA'S COFFEE EXPORTS BY DESTINATION BY MONTH IN 60 KILO-BAGS

Destination	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Total	188,012	266,726	237,747	215,180	193,965	228,579	175,540	247,460	370,924	376,173	308,739	340,378	3,149,423
E.U	147,514	216,096	179,781	170,096	140,869	168,863	151,772	214,090	235,135	270,960	236,232	233,751	2,365,159
SUDAN	30,800	30,920	42,300	35,052	35,350	51,800	19,750	18,850	81,250	55,630	37,030	21,300	460,032
SWITZERLAND	654	3,018	11,611	1,800					27,766	9,392	350	65,206	119,797
U.S.A.	5,822	5,600		5,048	8,166	3,742	3,100	6,990	16,822	21,798	11,662	6,418	95,168
RUSSIA	640	1,340		650	5,010	980	334	3,990	3,860	4,210	3,276	1,990	26,280
ISRAEL	1,322	4,648	2,978	334	600				2,275	4,807	2,950	3,827	23,741
EGYPT		900			330					1,791	7,455		10,476
AUSTRALIA	660	320	320	320	1,200		250	960		1,340	1,600	2,400	9,370
ALGERIA		1,002									5,344	3,006	9,352
KENYA				640				700	696	5,325		1,200	8,561
MOROCCO				640	2,440	1,920		960			1,620	320	7,900
JAPAN	600	600	757	300		620		920		920	1,220		5,937
CANADA		1,642		300					3,120			320	5,382
NORWAY						320						640	960
SINGAPORE						334	334						668
HONG-KONG													640

APPENDIX VIII: COFFEE PRODUCTION DATA – 2011**ROBUSTA**

REGION	DISTRICT	HECTARES	NO. TREES	No. H/HOLDS
NORTHERN	GULU	110	121,000	274
	AMURU	164	180,400	411
	NWOYA	188	206,800	470
	PADER	11	12,100	27
	KITGUM	5	5,500	13
	LIRA	1,215	1,336,500	1,307
	OYAM	989	1,087,900	1,070
	APAC	1,490	1,639,000	1,505
	KOLE	843	927,300	877
	DOKOLO	668	734,800	692
	ALEPTONG	430	473,000	439
	AMOLATAR	224	246,400	223
	OTUKE	236	259,600	236
	ARUA	299	328,900	285
		6,872	7,559,200	7,829
EASTERN	IGANGA	4,400	4,840,000	26,667
	MAYUGE	2,448	2,692,800	13,400
	BUGIRI	2,400	2,640,000	14,545
	NAMUTUMBA	752	827,200	1,230
	LUUKA	1,050	1,155,000	1,381
	JINJA	4,000	4,400,000	24,242
	KAMULI	4,000	4,400,000	24,242
	KALIRO	2,500	2,750,000	13,000
		21,550	23,705,000	96,707
CENTRAL	WAKISO	12,500	13,750,000	27,500
	MPIGI	17,000	18,700,000	103,030
	MUKONO	18,000	19,800,000	109,091
	KAYUNGA	11,000	12,100,000	62,039
	LUWERO	8,000	8,800,000	48,485
	NAKASONGOLA	1,600	1,760,000	9,697
	NAKASEKE	5,000	5,500,000	22,500
	MASAKA	46,000	50,600,000	278,788
	RAKAI	14,000	15,400,000	84,848
	SEMBABULE	3,600	3,960,000	21,818
		136,700	150,370,000	767,796
WESTERN	MITYANA	8,000	8,800,000	48,485
	MUBENDE	6,000	6,600,000	36,364
	KIBOGA	5,000	5,500,000	30,303
	KIBAALE	3,600	3,960,000	21,818
	HOIMA	2,800	1,260,000	16,970
	MASINDI	1,600	1,760,000	9,697

	KYENJOJO	5,500	6,050,000	31,000
	KAMWENGE	6,700	7,370,000	29,700
	KABAROLE	1,800	1,980,000	10,909
		41,000	43,280,000	235,246
SOUTH-WESTERN	MBARARA	3,500	3,850,000	21,212
	ISINGIRO	1,800	1,980,000	15,000
	NTUNGAMO	3,200	3,520,000	19,394
	BUSHENYI	4,500	4,950,000	27,273
	IBANDA	2,700	2,970,000	13,598
	RUKUNGIRI	3,600	3,960,000	21,818
	KANUNGU	800	880,000	3,200
	KABALE	11	12,100	32
		20,111	22,222,000	121,527
ROBUSTA TOTAL		226,233	247,136,200	1,229,105

ARABICA

REGION	DISTRICT	HECTARES	NO. TREES	NO. H/HOLDS
EASTERN	BUDUDA	4,340	6,944,000	36,142
	MANAFWA	2,030	3,248,000	43,761
	MBALE	5,084	8,134,400	56,666
	SIRONKO	7,620	12,192,000	64,373
	BULAMBULI	4,200	6,720,000	40,689
	KAPCHORWA	7,540	9,048,000	46,072
	KWEEN	3,426	4,112,000	13,417
	BUKWO	1,740	2,088,000	11,373
NORTHERN	ZOMBO	6,100	10,370,581	50,210
	NEBBI	847	1,440,000	8,309
	ARUA	998	1,697,057	9,428
	MARACHA	1	1,040	50
WESTERN	KASESE	7,480	11,980,000	60,100
	KABAROLE	525	892,500	10,500
	KAMWENGE	264	447,700	5,268
SOUTH- WESTERN	RUBIRIZI	43	70,000	1,080
	NSIIKA	203	330,000	2,120
	RUKUNGIRI	1,765	2,824,000	8,472
	KANUNGU	1,114	1,782,400	8,019
	IBANDA	697	1,000,000	8,110
	KABALE	18	28,000	84
	KISORO	15	23,360	175
	ARABICA TOTAL	56,050	85,373,038	484,418
NATIONAL TOTAL		282,283	332,509,238	1,713,523