

Uganda Coffee Then & Now



30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR

The Genesis of Uganda
Coffee Development
Authority

Coffee Revolution: 30
Years of UCDA-led Sector
Transformation

Way Forward: Set up a
Soluble Plant, Explore
New Markets





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TRANSFORMATION IN THE COFFEE SUB SECTOR

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FOREWORD

Celebrating Uganda coffee's contribution to socio-economic transformation

Coffee is a strategic commodity in the agro-industrialization programme under the National Development Plan III (NDP III). It has been prioritised for the country's march towards middle-income status and poverty eradication programmes. Coffee provides the highly needed foreign exchange and is a source of income for 1.8 million households in the country who are involved in its cultivation. In the last decade, it has contributed 11-18% of total goods exports.



Production now stands at 8.1 million 60kg bags. Coffee exports for calendar year 2021 totaled 6.77 million bags worth US\$ 718.57 million compared to 5.49 million bags worth US\$ 520.01 million the previous year.



Uganda's coffee story is in a new and exciting phase. After stagnating at 3-4 million bags per annum for nearly 15 years, production has more than doubled.

Production now stands at 8.1 million 60kg bags. Coffee exports for calendar year 2021 totaled 6.77 million bags worth US\$ 718.57 million compared to 5.49 million bags worth US\$ 520.01 million the previous year. This represents an increase of 23% and 38% in both quantity and value respectively. Uganda is now the seventh biggest coffee exporter in the world.

The rise in production is directly linked to the visionary leadership of H.E. President Yoweri Kaguta Museveni. In 2014, the President launched the Coffee Roadmap with the aim of raising production to 20 million bags per annum by 2025. The launch of the roadmap saw increased funding towards the coffee sub sector and accelerated multiplication and distribution of improved planting material to farmers.

The leadership demonstrated by Uganda Coffee Development Authority (UCDA) to mobilise stakeholders to implement the roadmap and oversee the sub sector is highly commendable. The Authority has stepped up efforts to develop and promote coffee through research, coffee extension services, domestic consumption and quality control to ensure that all coffee produced meets the required standards. With the National Coffee Act 2021 now in place, we expect to see increased adherence to quality standards across the value chain to boost the profile of Uganda coffee.

As we look forward to the next 30 years of coffee excellence, I call upon all Ugandans to not only produce coffee but also take a cup regularly to transform the coffee sub sector.

Hon. Frank Tumwebaze,
MINISTER OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES



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Minister of Agriculture, Animal Industry and Fisheries
Hon. Frank Tumwebaze



Minister of State for Agriculture,
Animal Industry and Fisheries
(Agriculture)
Hon. Bwino Fred Kyakulaga



Minister of State for Agriculture,
Animal Industry and Fisheries
(Animal Industry)
Hon. Bright Rwamirama



Minister of State for Agriculture,
Animal Industry and Fisheries
(Fisheries)
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Permanent Secretary - Ministry
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@MAAIF_Uganda

FOREWORD

We are building a resilient coffee sub sector to take Uganda forward

The task to produce 20 million bags of coffee by 2025 rests on our shoulders and we are committed to providing the leadership and strategic direction that will enable us meet the production target set by H.E The President in 2017 under the Coffee Roadmap.



A brand is unique. It is an emotional tie that binds all stakeholders in the coffee sub sector, establishing an expectation of quality and consistency, and ultimately adds value over and above our products and services.



Production now stands at 8 million bags per year and continues to rise annually. I commend the tremendous effort of the Uganda Coffee Development Authority (UCDA) leadership, Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), National Coffee Research Institute Uganda (NaCORI) and all stakeholders in the coffee value chain. We are building this industry a coffee tree at a time and the potential is enormous.

Over 80% of the coffee produced in the country is produced by smallholder farmers on less than 2 acres of land per household.

Therefore, building a sustainable coffee industry with high stakeholder value for social economic transformation requires us to put a lot of emphasis on the smallholder farmer to support them thrive and maintain quality across the production process.

I am proud to note that government is now rolling out the Parish Development Model to help increase productivity and production. At UCDA, we have been making efforts through our extension services to reach the last person in the value chain. This effort is a welcome development that builds on our ambition.

Looking back over the 30 years of UCDA, I feel confident that we have made enormous strides. Domestic consumption is rising, opportunities for value addition are growing and we are pursuing partnerships to help raise the global profile of Uganda's coffee.

As the Board, our commitment remains to provide the leadership that sustains the growing curve of production, exports and domestic consumption.

As you will notice while reading this commemorative publication, the sector is attracting attention and employment opportunities for youth that were non-existent 30 years ago are opening up in various sections of the value chain.

It is therefore critical that we become a catalyst for the young to rise and embrace coffee and support the sector to grow.

Dr Charles Francis Mugoya,
BOARD CHAIRMAN, UGANDA COFFEE DEVELOPMENT AUTHORITY (UCDA)

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AGRICULTURAL

THE AGRICULTURAL CREDIT FACILITY (ACF)

Background

The ACF is now in its twelfth year of operation since it was established in 2009 with the key objective of commercializing agriculture focusing on value addition, modernization and mechanization of the sector. The scheme is intended to bridge the financing gap in agricultural lending and improve the production capacity of farmers and agro-processors as well as promoting market for grain in the country. It is a Risk-Sharing Public-Private Partnership between the Government of Uganda (GoU) and Uganda Development Bank Ltd and Financial institutions regulated by the Bank of Uganda. The Bank of Uganda (BoU) is the Fund administrator on behalf of the Government. ACF operations are governed by the Memorandum of Agreement (MoA) signed by all stakeholders in the partnership.

The scheme provides medium and long-term financing to projects engaged in agriculture, agro-processing and the grain trade at more concessionary terms than what is usually offered in the financial sector. The financeable projects under the ACF include acquisition of agricultural machinery and equipment, post-harvest handling equipment, agro-processing, aquaculture including fishing, modern storage facilities, agricultural inputs such as pesticides and fertilisers, irrigation facilities, purchase of biological assets and other activities involved with primary agricultural production as well as the grain trade. The projects that are not eligible for ACF funding include; purchase of land, forestry, trading in agricultural commodities (except for grain) and refinancing existing loan facilities.

Concessionary Terms for Loans under ACF

| | OTHER AGRIC. VALUE CHAINS | GRAIN FACILITY [Working Capital] |
|--------------------|---------------------------|----------------------------------|
| Max. loan amount | UGX 2.1 billion* | UGX 10 billion* |
| Max. loan period | 8 years | 2 years |
| Max. Grace period | 3 years | 0 |
| Min. loan period | 6 months | 0 |
| Max. Interest rate | 12% | 15% |
| Facilities fees | 0.5% | 0.5% |
| Interest to BoU | 0 | 0 |
| GoU Contribution | **50%/70% | 50% |

* However this can be increased on a case-by-case basis considering the economic benefits.

** 50% for Commercial banks and UDBL, 70% for MDIs and Credit Institutions

Current Performance

Since the year 2010, the ACF loan book has grown from **UGX 21.02 billion** to **UGX 589.48 billion** in cumulative disbursements extended to **1,179** eligible projects across the country as of March 31, 2021. The Government of Uganda (GoU) contribution amounted to **UGX 299.52 billion** while the PFI contribution totaled **UGX 289.97 billion**. The beneficiaries include **300** micro and smallholder farmers whose total funding was **UGX 4.71 billion** with GoU contribution accounting for **UGX 2.79 billion**.



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1

CELEBRATING UCDA @ 30 YEARS

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR



Uganda Coffee Development Authority

OUR VISION

A sustainable coffee industry with high stakeholder value for socio-economic transformation.

OUR MISSION

To facilitate the increase in quality coffee production, productivity, and consumption. We live by the slogan: "Empowering livelihoods"

OUR MANDATE

To promote and oversee the coffee industry by supporting research, promoting production, controlling the quality and improving the marketing of coffee in order to optimize foreign exchange earnings for the country and payments to the farmers.

Our Values

Leadership

We lead the industry including the actors, clients and all stakeholders by being at the fore front of the growth of the industry and its prosperity.

Integrity

We act with honesty and adhere to fairness in an ethical way.

Teamwork

We value working together internally within the organisation as well as with the external stakeholders with strong relationships, respect and sharing with all parties with interest in the industry.

Client focus

In whatever we do, we put all value chain actors as the center of attention.

Accountability

We are will and do account, take responsibility and disclose our activities to all the stakeholder in the industry.

Professionalism

We maintain and develop our staff to perform their work with competence, dedication, expertise and care.





Coffee House along Jinja Road in Kampala is the head office of the Uganda Coffee Development Authority.

The Genesis of Uganda Coffee Development Authority

The Uganda Coffee Development Authority (UCDA) came into existence following the passing of the UCDA Bill by the National Resistance Council (NRC) in 1991, and the presidential assent to the UCDA Statute of July 12, 1991 amended in 1994).

UCDA is one of the agencies currently under the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). It is governed by a Board of Directors which oversees the conduct of its business and supervision of UCDA management, which is responsible for the day-to-day operations.

UCDA is charged with the

responsibility of monitoring and regulating the coffee industry, as well as advising Government on policy issues.

Vision: A sustainable coffee industry with high stakeholder value for socio-economic transformation,

Mission: To facilitate the increase in quality coffee production, productivity,

and consumption. We live by the slogan 'empowering livelihoods.'

Mandate: To promote and oversee the coffee industry by supporting research, promoting production, controlling the quality and improving the marketing of coffee in order to optimize foreign exchange earnings for the country and payments to the farmers.

Objectives

- To promote good practices in all activities in the coffee value chain;
- To regulate on-farm and off-farm activities in the coffee value chain;
- To promote research along the coffee value chain processes and products related to coffee;
- To promote value addition to coffee including primary processing and establishing soluble coffee plants;
- To promote access to easy and cheap credit for coffee value chain actors;
- To promote and monitor the marketing of coffee in order to optimise foreign exchange earnings and payments to farmers;
- To control the quality of coffee at all stages of the value chain in order to ensure that all coffee meets the standards prescribed by the Authority;
- To monitor the international price of coffee in order to disseminate the indicative price at which coffee may be traded;
- To conduct market research for the development of the coffee sub sector;
- To promote industries related to coffee;
- To develop and promote coffee-specific extension services;
- To coordinate with key stakeholders to organise farmers in the coffee sub sector;
- To promote the production and marketing of final products of coffee;
- To promote domestic consumption of coffee; and
- To promote coffee tourism in Uganda.

Coffee is Uganda's priority commodity, plays a leading role in the livelihoods of many Ugandans and contributes substantially to the national economy. Coffee has contributed an average of 17% to the country's foreign exchange earnings over the past 20 years.

Today, Uganda is Africa's top Coffee exporter with earnings of US\$ 496 million in the year 2019/2020 and US\$ 559 million in the year 2020/2021 from coffee exports.

Uganda recorded its highest coffee exports of 6.08 million 60kg bags in 2020/2021 up from 5.12 million 60kg bags in 2019/2020.

The commodity supports over 1.8 million farming families directly in 126 coffee growing districts in Uganda.

Over the last 30 years, UCDA has grown the industry, hand in hand with stakeholders in the coffee sub sector. This has been done through

the development and promotion of coffee through research and extension services and quality control to ensure that all coffee exported meets the required standards. UCDA has also made strides in promoting domestic consumption of Uganda coffee.

The birth of UCDA, therefore, in many ways ties to the story of Uganda's efforts to revamp economically. The country's economy had suffered numerous setbacks due to political instability and poor policy choices.

The reform programme that Uganda embarked on in the 1980s addressed both the macro and sectoral issues and focused mainly on the agricultural sector, especially the export crops such as coffee.

At the time, the coffee sub sector challenges were poor quality, poor marketing both on the local and global market, weak regulatory framework, limited crop financing, inefficient

management, diseases and poor infrastructure.

To reverse this downward trend, the Government, supported by the World Bank, embarked on reviving the coffee industry through the Agricultural Rehabilitation Project.

The US\$ 70- million project (\$22 million went into the coffee sub sector) focused on revamping production, rehabilitating processing facilities, and marketing reforms.

However, restructuring the industry chain presented the need for the reorganisation of the institution managing the sector. The seed for restructuring the Coffee Marketing Board (the institution that had the monopoly to run the coffee industry) was therefore planted in 1990.

The Government adopted policy and institutional reforms as part of the structural adjustment programme.

An inter-ministerial committee, which was responsible for the restructuring of the Coffee Marketing Board between 1990 and 1991, was formed.

The committee was tasked with working out the modalities for the establishment of a new fully-fledged authority to regulate the coffee sub sector. The four-man team comprised William Naggaga, Dr Peter Ngategize, Fred Kawuma and James Serunjogi.

In order to develop the best model for the management of the Uganda coffee industry, the team travelled to Latin America and coffee-producing countries in Africa to study their systems. The team then made a report recommending the adoption of the liberal system of Costa Rica and Colombia known by the Latin word *cafeteros*.

Based on this report, the Uganda Government made the decision to liberalize the sector. The committee then drafted the Bill for the establishment of the Uganda Coffee Development Authority. The UCDA Statute was subsequently passed by an Act of Parliament in July 1991. However, before UCDA became operational, the Government created a Coffee Monitoring Unit in the Agricultural Secretariat of the Bank of Uganda.

In January 1991, the Coffee Marketing Board (CMB) was split into two entities; the Coffee Marketing Board Limited and the Uganda Coffee Development Authority. The Authority was tasked with the responsibilities of monitoring and regulating the industry, and advising the government on policy issues while the Board retained the responsibilities of trading and coffee processing.

Given that the project was part of the World Bank's Agricultural Sector Adjustment Credit (ASAC), the World Bank experts recommended that the four-man team become the core of UCDA. The team worked under the Agricultural Secretariat (based

at Bank of Uganda) until 1992, and then became UCDA employees.

The first Board of Directors was chaired by Dr Israel Kibirige Sebunya (RIP), and the first Managing Director was Ernest Kakwano, who was at the time the General Manager CMB. He spearheaded the process of putting together the senior management team.

Key staff members were transferred from the Coffee Marketing Board to serve in the Authority and these included statistics, quality assurance and inspectorate staff. They were responsible for the licensing of coffee processing factories.

Liquidation of Coffee Marketing Board (CMB) Limited

Further reforms were undertaken in 1992 and 1994, by unifying the exchange regime. The Coffee Marketing Board Limited gradually liquidated all its assets, marking the end of government involvement in coffee trade and marketing, and thus the start of full liberalization of the sector.

The Authority was charged with promoting, improving and monitoring the marketing of coffee in order to optimize foreign exchange earnings and payments to the farmers. It was also charged with quality control to ensure that all exported coffee met the standards stipulated by the contract between the seller and buyer.

Price control and monitoring also fell under the Authority's docket in order to ensure that no contract for the sale of coffee was concluded at a price below the minimum price. Among other objectives were the development and promotion of the coffee industry through research and extension, marketing of coffee as a final product and promotion of domestic coffee consumption.

UCDA licenses private companies to trade in coffee

UCDA then licensed private companies to trade in coffee. The first five private export

FORMATION OF UCDA

A four-man committee was tasked with working out the modalities for the establishment of a new fully-fledged authority to regulate the coffee sub sector.



Amb. William Naggaga



Dr Peter Ngategize



Dr Frederick Kawuma

companies were Kyagalanyi Coffee Ltd, Kaliro Coffee Ltd, Kalisizo Ltd and Zigoti Coffee, Mityana and Muhamud Musamba, Kawempe.

Four Cooperative Unions that were processing coffee were also licensed to export: Bugisu, Busoga, Banyakole Kweterana and Masaka.

While coffee production was initially the responsibility of the Ministry of Agriculture, in 1994, there were further policy reviews and it was administratively decided that UCDA takes up the responsibility of production. This constituted the third phase in the formation of UCDA - the



In January 1991, the Coffee Marketing Board was split into two entities; the Coffee Marketing Board Limited and the Uganda Coffee Development Authority.

phase the country is in today.

The mandate in coffee production involved three major broad aspects. UCDA started by supporting the development of planting materials - seed and seedlings. This came at a time when the coffee industry was devastated by the Coffee Wilt Disease.

A decision was made to invite private sector players to manage and multiply the 20 demonstration nurseries, which had the seven lines of clones it inherited from the government. UCDA thus capitalized on the efficiencies of the private sector and multiplied resistant varieties. The second area was to support research. UCDA has continued to provide financing for coffee research, up to 40 per cent of the budget of the National Coffee Research Institute (NaCORI) comes from the Authority.

The third broad area was to support extension services, which had been greatly affected by the reforms. UCDA employed coffee district extension coordinators and they have continued to grow in number as their responsibilities expanded. The Authority was established with five departments - Finance, Research and Development, Quality, Statistics, and Administration.

UCDA acquires a home

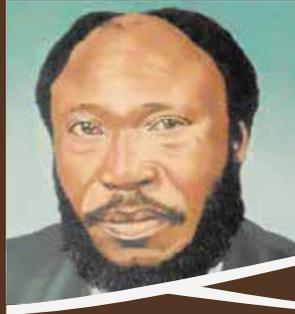
In 1991, the Authority acquired Coffee House on Jinja Road, Kampala, its current headquarters, from the defunct East Mengo Coffee Growers.

Currently, UCDA is in charge of all regulatory aspects of the industry, including enforcing regulations, monitoring quality, market intelligence and information, gathering statistics, undertaking promotions efforts, coffee replanting and expansion to new coffee-growing areas. These functions are carried out in collaboration with other institutions. ■



The UCDA coffee laboratory located at the UMA Show Grounds at Lugogo, Kampala.

Uganda Coffee Development Authority: Board Chairpersons since 1991



**Dr Israel Kibirige
Sebunya (RIP)**
1992 - 1996



Francis Nagimesi Wambede
1996 - 1998



John B. Muganga
1998 - 2000



Paul Sempa Mugambwa
2001 - 2008



**Eng. Fabian Rwamwema
Tibeita (RIP)**
2008 - 2012



Perez S. Bukumunhe
2013 - 2020



Dr Charles Francis Mugoya
2021 - To date

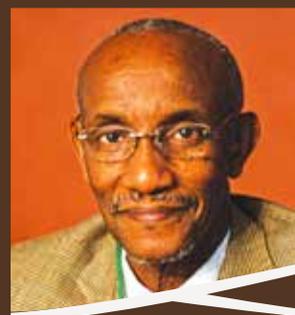
Uganda Coffee Development Authority: Managing Directors since 1991



Ernest Kakwano
1991 - 1993



Hon. Tress Bucyanayandi
1996 - 2000



Henry Ngabirano
2000 - 2016



**Dr Emmanuel Iyamulemye
Niyibigira**
2016 - To date



Coffee sector progression from Marketing Boards to a fully-fledged Authority

Although the cooperatives succeeded in aggregating farmers' produce, marketing remained a problem. This would lead to the emergence of statutory marketing boards.

Uganda's export earnings have increased over the years and remain disproportionately dominated by agricultural products, which account for 80% of total exports.

Some of the leading exports include coffee, fish, maize, tobacco, and tea. The dominance of crops such as coffee dates back to the colonial era when they were grown as official government crops.

The sector was mainly dominated by the

Indians who established factories across the country and took over processing and marketing while the government retained the research, seed breeding, extension services, input supply, and quality control functions. In addition, the government established three regional factories to absorb the increased production.

In the 1900s, coffee was introduced, followed by tea and tobacco. In the 1930s coffee took the lead as the country's major foreign exchange earner, with cotton taking second place.

The Emergence of Marketing Boards

By the 1950s, however, the population had started revolting against the private sector due to exploitation. Farmer cooperatives, determined to organise and represent farmers' interests, gained momentum around 1952. In response, the Government compensated the Asian entrepreneurs, took over ownership and transferred management to the Cooperative Unions.

Although the cooperatives succeeded

in aggregating farmers' produce, marketing remained a problem. This would lead to the emergence of statutory marketing boards, to among others, stabilise produce price in the face of fluctuating world rates, ensure the commodity-dependent economy against turbulent world market conditions, promote and encourage orderly marketing of the country's leading crop exports, and promote an increase in their production. Other motivations included the strengthening of the producers' bargaining power and guaranteeing a fair price for farmers.

Thus, the Coffee Marketing Board was constituted under the Coffee Act of 1963, while other boards were constituted in the subsequent years. The farmers in primary societies supplied to the unions, who later sold to the various marketing boards.

But the subsequent instability in the country gravely affected the marketing boards, setting forward a downturn not just in their fortunes but in crop production in general.

By the time the NRM government came to power in 1986, all the marketing boards, like other state corporations, were no longer the thriving enterprises they had once been. High running costs, huge debts and general mismanagement had left the boards on their knees, requiring bailouts from the Central Government.

Like other major public corporations facing the same dilemma, the marketing boards were consequently swallowed up in the liberalisation of the 90s that saw the economy shift from public control to private-led.

Although liberalisation gave the economy a much-needed boost, it



The Coffee Marketing Board was replaced by the Uganda Coffee Development Authority with a relatively similar mandate.

had the reverse effect on producer organisations and cooperatives. Once-powerful cooperatives like East and West Mengo, and the Bunyoro Kitara Growers Cooperative Union all collapsed, precipitating the eventual closure of the Cooperative Bank that was their source of money for crop financing.

Filling the gaps

The Coffee Marketing Board (CMB) was replaced by the Uganda Coffee

Development Authority (UCDA) with a relatively similar mandate.

The restructuring meant that cooperatives could now interface directly with the buyers and processors, without marketing board intermediaries.

UCDA's mandate is restricted to regulation and promotion. It does not extend to the buying and selling of coffee which is left to private actors. Neither does it extend to the provision of credit; that is the role of the Microfinance Support Centre, and the Uganda Development Bank (UDB), that Government has been recapitalising.

But while it is true that part of the motivation for the recapitalisation of UDB and the Microfinance Support Centre is to provide low-interest credit to farmers, and industrialists, the two financial institutions' broad mandate, and their still limited capital portfolio mean they are incapable of meaningfully propping up crop value chains on their own. ■



Coffee Marketing Board premises

UCDA@30: A look at key achievements and way forward

Dr Emmanuel Iyamulemye Niyibigira is the Managing Director of the Uganda Coffee Development Authority (UCDA). In this interview, he reveals a wide range of achievements of the coffee sub-sector for the last 30 years and UCDA's plans to make Uganda coffee more competitive and profitable.



I thank President Yoweri Kaguta Museveni for consistently encouraging people to plant coffee to improve household incomes.

Q UCDA has registered several achievements over the last five years under your leadership. What would you say are the major achievements for the coffee sub sector in this period?

A As you have said, the Authority under my leadership has achieved a lot in the last five years. I must say it has been a team effort.

When I joined UCDA in 2016, there was a target of increasing coffee production to 20 million 60kg bags by 2025. I can report that we have seen coffee production increase from 4.2 million 60kg bags in FY2015/16 to 8.06 million bags in FY2020/21 while coffee exports have increased from 3.6 million 60kg bags in FY2015/16 to 6.1 million 60kg bags in FY2020/21. That is no mean achievement for the industry. The coffee production and export figures recorded in FY2020/21 were the highest ever. This is mainly attributed to the planting of new coffee trees. Cumulatively, 1.167bn coffee seedlings were generated and distributed between FY2015/16 and FY2020/21.

I thank the President for consistently encouraging people to plant coffee to improve household incomes.

To ensure that only quality coffee is produced, UCDA continuously sensitizes nursery operators. We developed for them training manuals on how to produce quality seedlings and this has greatly increased coffee production countrywide. Our target is to have at least one certified nursery operator in every sub-county to make seedlings more easily available to farmers.

UCDA is working with National Coffee Research

Institute (NaCORI) to develop high yielding and wilt resistant coffee varieties.

To date, 10 varieties (KR1-10) have been developed and more are in the pipeline. We now have new Arabica varieties as well that are drought tolerant and highly yielding.

Over the past five years, We have been sensitizing the public on the profitability of coffee as a business. For example, with a one hectare farm (approximately 2.5 acres of coffee), one can make a minimum of Shs20m annually which would change the fortunes of a household.

We have also established strategic partnerships with cultural institutions, religious institutions, district local governments, Uganda Development Bank and Uganda Prisons Services. We also revamped the International Women's Coffee Alliance – Uganda Chapter to get more women in coffee because they are key in households.

With regards to sustainable coffee production, we have built capacity among the youth to trade, brew and roast coffee.

We are now running a campaign on rehabilitation of old coffee trees to increase production and productivity. To encourage farmers to stump their coffee trees, we have given them fertilisers but this is a one-off intervention to demonstrate how stumped coffee trees can be productive.

We have also promoted Uganda coffee in new markets. For example, we set up a coffee promotion office in Guangzhou, China in

2016 and since that time we have developed a coffee promotion strategy specifically for China. This is important for us because coffee consumption in China is growing at 15% annually compared to the global average of 2.5%. In addition, we partnered with the British High Commission to help Uganda Coffee enter the UK market. We have partnerships with Uganda's foreign missions with commercial attachés. We want to maintain our key markets specifically Italy, Germany and Spain but we also want to go beyond. We want to embark on aggressive marketing. We have partnered with the Coffee Quality Institute (CQI) of the United States to develop the various profiles of coffee from different parts of Uganda because each region has its own unique taste.

The National Coffee Act 2021 is a landmark achievement for us. When UCDA was established in 1991, our mandate was on quality at pre-export but the new law allows us to regulate and promote quality of all on-farm and off-farm activities along the coffee value chain.

Q The National Coffee Act has been hailed as a game changer. What are UCDA's focus areas in as far as implementation of the law is concerned?

A This Act gives UCDA powers to regulate all on-farm and off-farm activities in the coffee value chain.

The Act repealed the UCDA Act, Cap. 325, which was enacted in 1991 and only covered off-farm activities of marketing and processing, leaving on-farm activities like planting materials, nurseries, harvesting and post-harvest handling outside the scope of the law. We are right now focusing on sensitization of coffee stakeholders about this new law ahead of registration of farmers because once we have a farmer's register, we shall have a traceability system that will make it easy to link farmers to the markets. It will also be easy for us to disseminate information to them. It also helps us in our planning; to know the number of old coffee trees and the pests and diseases that are prevalent in various areas.

We started by recruiting Parish Coffee Development Advisors. We are identifying lead farmers in parishes who will help in the registration of farmers once we have a platform that will capture all key variables about farmers.

Farmer organisations are also a key focus area for us. We have an MOU with Uganda Cooperative Alliance to professionalize cooperatives and farmer organisations. Picking from the Coffee Roadmap, our target is to grow coffee farmers in cooperatives from about 25% to 85%. We want to understand the needs of the existing farmer organisations and support smallholder farmers to get organised.



Q What should coffee stakeholders (nursery operators, farmers, traders, exporters, café owners, processors, factory owners, roasters) expect from the Authority in the next five years?

A We are focusing on agro-processing. With support from Government, we want to have a soluble plant in the next five years through a public-private partnership. We are working with Uganda Development Corporation to ensure that this is achieved. This will increase value addition to our coffee.

It would also be good if we established a packaging plant in Uganda because most of the packaging materials come from China and Kenya. The plant may not be exclusive to coffee but can serve other industries.

We are also positioning ourselves as producers of specialty and fine coffees. With high quality/premium coffee, our

coffee will market itself and fetch higher prices.

Q There are concerns that farmers aren't benefiting much from the increasing coffee exports. There are arguments that middle men and largely foreign-owned companies are the ones benefiting at the expense of farmers. What are your thoughts about these concerns? How best can farmers get better prices?

A Incidentally, there are many countries coming to benchmark on Uganda. The money that goes to the farmer is about 75% of the export price. The rest is divided among the middleman, the transporter and the exporter. However, we should not be celebrating about that price of green coffee. Our focus should be to have a big chunk of coffee exported as roast and ground coffee. That is where the money is.

Q What else is UCDA doing to promote coffee value addition across the chain?

A Value addition is broad. Even quality is value addition; if you harvest ripe cherries and dry it well on tarpaulins or raised trellis, you are adding value to your coffee. The price you will get will be higher. We want more farmers selling Fair Average Quality coffee (kase) rather than kiboko (dry cherries). This can be achieved if milling the coffee is done at a subsidized cost and this is a process we are working on.

We have stepped up our efforts in coffee extension and training to advise farmers on the best practices to produce, harvest and process their coffee and add value to it.

At the tertiary level, we have procured wet mills to support small and medium farmers to process their Arabica coffee into parchment which fetches higher



Maintaining Coffee Quality: Dr Emmanuel Iyamulemye and Clare Rwakatogoro, a Promotions Officer, during a cupping session at the UCDA coffee laboratory at Lugogo, Kampala.



prices than red cherries. We also are building roasting and brewing capacity.

Q UCDA has been promoting domestic coffee consumption over the past 10 or so years? What progress have you made? What plans do you have to increase consumption?

A We have made good progress in coffee consumption. We have generally been a tea drinking country but that is changing. Many people are appreciating the health benefits of drinking coffee. There is a big mindset change. We are demystifying misconceptions that associate coffee with bad health. We have also trained youth in roasting and barista skills. There are so many coffee shops in every corner of Kampala and other upcountry cities and towns. We have now procured a promotional van. It's under fabrication, fitting in brewing machines. It will be a moving kitchen and it will help us sensitive people on how to brew and drink coffee for health benefits. We also want to ensure that the baristas we have trained end up in cafes not roasteries. Young people are appreciating coffee drinking. We now have coffee clubs in most public universities.

Q Farmers are facing many challenges, including the Black Coffee Twig Borer and climate change among others. How do you intend to support them going forward?

A It is true we received reports from farmers that some of their coffee trees were drying. In partnership with NaCORI, we carried out a study to establish the cause. We discovered that some of the trees had been attacked by the Coffee Wilt Disease and others by the Black Coffee Twig Borer. We are now trying to establish the magnitude of the problem as we plan to massively sensitize farmers on how to handle the challenge at hand. We are also looking at how Government can support farmers by, for example, waiving some taxes on key imported

chemicals or providing the required chemicals to farmers at subsidized rates. We will also engage financial institutions to consider developing some input packages, including fertilisers and affordable irrigation packages.

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Uganda Coffee Development Authority: Board of Directors



John Nuwagaba
Member (Coffee Farmers)



Dr Charles Francis Mugoya
Board Chairman



Michael Nuwagaba
Member (Coffee Processors)



Fred Luzinda-Mukasa
Member (Coffee Exporters)



Dr Sadik Kasiim
Member (National Agriculture
Research Organisation)



Connie Masaba Magomu
Member (Ministry of Agriculture,
Animal Industry & Fisheries)



Maris Wanyera
Member (Ministry of Finance,
Planning & Economic Development)



Martha Nalubega Wandera
Member (Coffee Roasters)



Okot Okello Richard
Member (Ministry of Trade, Industry
and Cooperatives)



Dr Emmanuel Iyamulemye Niyibigira
Member (Managing Director - UCDA)



Eunice Kabibi
Board Secretary/ Legal
Manager

Uganda Coffee Development Authority: **Top Leadership**

Executive Directorate



Dr Emmanuel Iyamulemye Niyibigira
Managing Director



Laura Walusimbi
Corporate Communications Manager



Alex Rugonde
Ag. Procurement Manager

Board Secretary's Office & Corporate Services Directorate



Eunice Kabibi
Board Secretary/
Legal Manager



Nina L. Nassuna
Director Corporate Services/Manager Finance



Angelita Musimenta
Human Resource Manager



Edwin Agaba
Administration Manager



Valentine Bette
Ag. Management Information Systems Manager

Quality and Regulatory Services Directorate

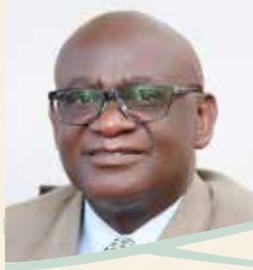


Doreen Rweihangwe
Quality and Regulatory Services Director



Betty Namwagala
Marketing and Promotion Coordinator - China Office

Directorate of Development Services



Apollo T. Kamugisha
Director Development
Services



Dr Gerald Kyalo
Technology
Development Manager



Robert Tumwesigye
Technical Extension
Manager



Robert Nangatsa
Extension Manager



Mike Butseya Maliro
Regional Manager
(Elgon Region)



Edward Lutaakome-Ssentamu
Regional Manager (Greater
Masaka Region)



Jimmy Baluku
Regional Manager
(Eastern Region)



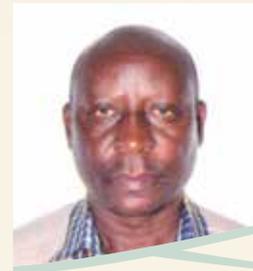
Isaac Chepkruai
Regional Manager
(Northern Region)



Liza M. Luseesa
Regional Manager
(Central Region)



Moses Asimwe
Regional Manager
(South-Western Region)



Emmanuel Tumwizere
Regional Manager
(Rwenzori Region)

Strategy and Business Development Directorate



David Katungi
Director Strategy and Business
Development



James Rogers Kizito-Mayanja
Market Intelligence and
Information Manager



Paddy Namurebire
Monitoring and Evaluation
Manager



WE CELEBRATE 30 YEARS OF IMPACTING LIVES WITH YOU

As you celebrate 30 years of existence, we are proud to have partnered with you in ensuring a brighter future for the nation through the growth, production, and export of coffee. **We look forward to working with you in the years to come as you brew a better economy for this nation.**

Stanbic Bank **IT CAN BE™**

Longest serving staff reflect about UCDA@30



Doreen Rweihangwe - Ag. Quality and Regulatory Services Director

I joined UCDA 30 years ago as a young graduate with no experience in the coffee world. I was lucky to join the then Uganda Coffee Marketing Board (UCMB), the present-day UCDA to gain experience on the job.

At the time, the Directorate of Quality and Regulatory Services was a department with only five people and was headed by Henry Ngabirano. Under Ngabirano's supervision, I gained a lot of experience and knowledge.

When the UCMB turned into UCDA, the Quality Assurance Department, which was at Amber House, was moved to Jinja Road, the current UCDA headquarters. This is where the first quality assurance and testing lab was established, before shifting to Lugogo house in the year 2000.

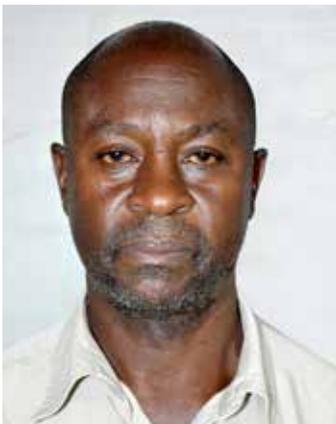
Achievements

In 2005, I got the privilege to be trained in coffee cupping, by the International Specialty Movement, especially, in advanced cupping and thereafter registered us as Arabica cuppers by the Coffee Quality Institute (CQI) of the USA.

I am one of the members who fronted for the development of standards for Robusta coffee because Arabica coffee standards were already in place.

Memorable event

We used to transport coffee by rail, in food-grade containers, to Mombasa and Dar-es-Salaam ports for export, which was against the law. I also recall that most of the activities in the laboratory were manual, which limited communication. ■



Peter Masai - Driver

I came to Kampala a few years ago in search of a job. Although there were many opportunities, my interest was to become a driver in a company or organisation. I embarked on a job hunt until one time, a friend informed me of a coffee organisation that was looking for a driver, after inquiring, I walked to UCDA offices on Jinja road.

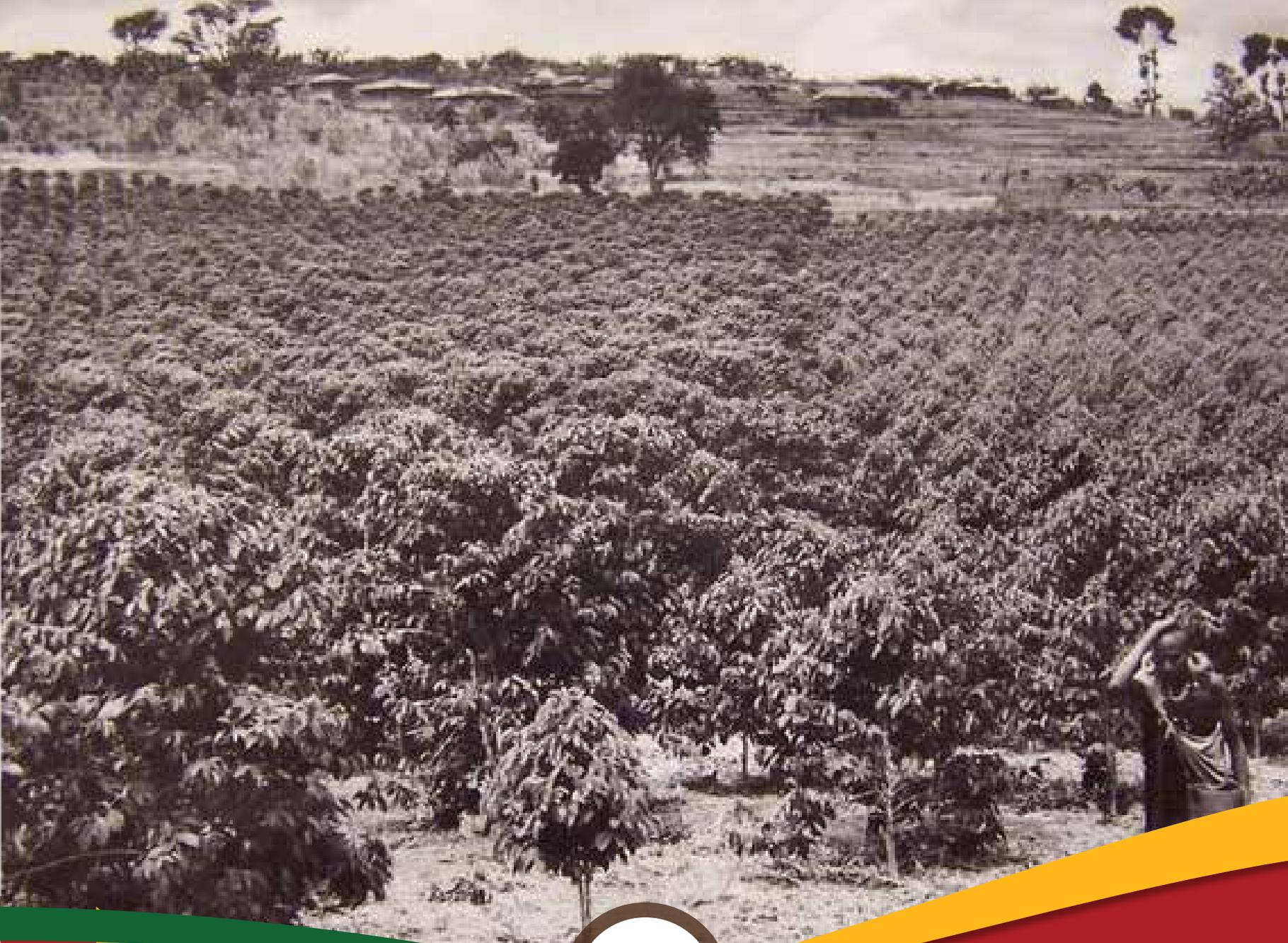
I found a lady at the front desk, explained myself, she called another man, I again explained myself, to cut the long story short, I was considered for the job later. As a driver at UCDA, my first task was to drive the Board Secretary, starting with Amb. William Naggaga, later Fred Luzinda, each for 10 years, and recently was taken back to the pool.

While working at UCDA, I have been able to marry and have children. Three have

completed University education, one is a finalist and the last-born is in Senior Five this year.

While at UCDA, I have been able to acquire a piece of land in Kampala, where I live with my family, and also managed to acquire two acres for coffee growing back home in Mbale district. In line with coffee farming, I have also learnt to establish and manage a coffee nursery, that is how I have been able to plant two acres of coffee in Mbale.

And now that I am approaching retirement, I am so grateful because, through them, I have been able to reorganise my life. When I retire, which is soon, will happily turn to my farm and also become an active coffee farmer, having worked in a coffee organisation for all these years. ■



2

THE HISTORY OF COFFEE IN UGANDA

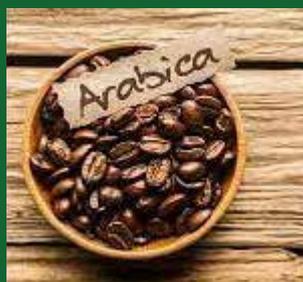
30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR

The onset of Coffee in Uganda

In almost every household in Uganda engaged in agricultural produce, especially southern, eastern and western regions, coffee is the main traditional cash crop grown followed by maize, tea, cotton and tobacco. Coffee contributes the highest revenue for the country.

Introduction of Arabica coffee

Arabica coffee was introduced in Uganda around 1900 from the Ethiopian highlands (Bourbon Arabica) by the French missionaries and Malawi (Nyasa Arabica) by A. White, the then head of scientific department in Uganda.



The tropical evergreen coffee plant produces coffee beans. A drink is made from the seeds of the coffee plant and is usually served hot. It is one of the three most popular beverages in the world (alongside water and tea), and it is one of the most profitable international commodities.

Uganda grows two types of coffee (Robusta and Arabica) in a ratio of 4:1.

Coffee crop entry into Uganda

Local tales have it that, prior to the arrival of the British colonial masters in Uganda in the 1800s, coffee plants grew along the shores of Lake Victoria and parts of western Uganda, but were most popular among the Baganda.

The crop initially grew in the wilderness before interested farmers started picking seedlings that had germinated from fallen cherry, and transplanting them to their gardens.

This was mainly because of the significant role

coffee played in their traditional and cultural ceremonies. Its commercial value had not yet been discovered.

By 1894, when Uganda was declared a British protectorate, Robusta coffee was already enjoying acclaim among thousands of Ugandans, both as an energy booster for long-distance travellers and a substitute for cigarettes and a key component in traditional practices among the Baganda.

Coffee introduction in Uganda as a commercial good was one of the strategies the British Protectorate Government sought in rebuilding its economy following World War II and enabling the new Ugandan protectorate to become self-sustaining.

Robusta coffee was freely growing in the country, mostly used in traditional rituals. Arabica coffee was introduced in the country around 1900 from the Ethiopian highlands (Bourbon Arabica) by the French missionaries



A coffee plantation in the early 1900s



1953: A demonstration of a soil conservation practice in a coffee plantation.

and Malawi (Nyasa Arabica) by A. White, the then head of the scientific department in Uganda.

Records indicate that the British first introduced cotton, cocoa, rubber and tea as the initial cash crops. Coffee was added to the list later. Crops like cotton and sugarcane were forcibly grown in Uganda. As time went on, Uganda grew very good quality Robusta coffee.

For a time, the British raced in a comfortable lane, as their financial burdens in the protectorate lightened, and local households adopted the growing of coffee for commercial purposes.

Records show that in 1925, coffee accounted for 1% of Uganda's export commodities, an impressive figure at the time.

Soon, the Government designed and introduced production campaigns in addition to the provision of extension services.

Coffee takes lead as a source of income

Coffee became the leading source of household income, but also greatly

augmented Government revenue. To that end in 1929, the British Government set up the Coffee Industry Board to address quality concerns that were rising at the time.

The Arabica crop initially performed poorly and was ravaged by diseases at the time it was introduced. On the other hand, there was an increase in farming of the natural undomesticated Robusta by smallholder farmers in the areas around the Lake Victoria basin.

By 1914, European and Asian farmers had established 135 plantations, sitting on over 58,000 acres of land, mostly in central Uganda. However, the crop

was abandoned when prices fell in the 1920s. In 1925, coffee accounted for 1% of Uganda's commodities exports. Responding to government extension services, coffee production kept growing, becoming a major source of household income and a major contributor to the country's foreign exchange earnings.

In response to the need to police and streamline activities around coffee production and marketing, the first coffee institution, Coffee Industry Board, was established in 1929 with the main objective to address quality concerns.

Coffee Marketing Board formed

Later, the Department of Crops was created in 1946 with the aim of expanding Robusta coffee farming through the adoption of deliberate aggressive promotion of the crop variety. In 1959, the Coffee Industry Board was charged with setting prices and in the same year, the Coffee Marketing Board was formed and given the added responsibility of marketing Uganda's coffee.

Coffee emerge leader export crop

However, it was not until the birth of cooperative movements in the 1940s that coffee-growing really became



An old Ugandan currency note with a lady picking coffee.

popular and coffee overtook cotton as the chief export crop. It provided the homogenous vehicle for the growing, processing and export of coffee. Following independence in 1962, the Coffee Marketing Board assumed full control of the coffee industry and in 1969, a coffee Act was passed to assume a monopoly of all aspects of the industry.

This management system remained unchanged until 1990 when the coffee sub sector was subjected to reforms as the government sought to revamp coffee production. By the early 1970s, coffee export averaged three million 60-kg bags and Uganda's coffee exports accounted for 4% of global coffee exports.

For an economy like Uganda, that was quite a figure to be proud of. By the early 1970s, coffee export averaged three million 60-kg bags and Uganda's coffee exports accounted for 4% of global coffee exports. For an economy like Uganda, that was quite a figure to be proud of.

Coffee trade boom in the 70s

What gives the crop significance in Uganda's political and economic arena is that during President Idi Amin's regime (1971-1979), all other exports virtually ground to a halt but the coffee trade boomed and remained the main foreign exchange earner for Uganda. At the time, Brazil experienced frost; most of its crops died, and so Uganda found itself in a period of plenty.

The price of coffee shot up and Amin capitalized on the price increase. With the economic hardship eating into the bone marrow of Uganda, coffee became the economy's bloodline. It was, therefore, not until the collapse of the international coffee agreement in 1987, when the global prices crashed by more than half the previous level that



1953: An official from the Department of Agriculture grading processed coffee for export.

coffee production fell.

Up until the 1980s, coffee remained the most important cash crop, accounting for 191,700 hectares of Robusta and about 33,000 hectares of Arabica across the country.

EU financing coffee rehabilitation programme

Between 1984 and 1986, the European Economic Community (EEC) financed a coffee rehabilitation programme meant to improve production at the time. The programme also supported research, extension work, and training of farmers to upgrade their skills, and play a more active role in the development of the economy.

In 1986, the NRM government took power. The new leader, President Yoweri Kaguta Museveni, sought to improve coffee production and cut down on smuggling, which had gained ground during the turbulent 1970s and 1980s.

To deal with the smuggling, the Government raised prices of coffee on the basis of the new prices being more reflective of world market prices and local factors, such as inflation.

By December 1988, the Coffee Marketing Board was unable to pay farmers for new deliveries of coffee or to repay loans for previous purchases.

The board owed UGX 1 billion to its suppliers and UGX 2.5 billion to the commercial banks, and although the Government agreed to provide the funds to meet these obligations, some of them remained unpaid for another year.

Uganda joins ICO consortium

At the time, Uganda was a member of the International Coffee Organisation (ICO), a consortium of coffee-producing nations that set international production quotas and prices.

ICO set Uganda's annual export quota at only 4 per cent of global coffee exports. Later in December 1988, a wave



Presently, there are up to 126 coffee-growing districts. Of these, 88 districts grow Robusta only, 15 districts grow Arabica only while nine districts grow both Robusta and Arabica.



Professor Ezra Suruma, Former Minister of Finance, Planning and Economic Development.

of coffee buying pushed the ICO price up and triggered two increases of one million (60kg) bags each in global coffee production limits.

The increased demand and rising price resulted in a global quota increase to 58 million 60kg bags in 1989. However, Uganda's export quota rose only by about 3,013 bags, bringing it to just over 2.3 million bags.

In 1989 Uganda's coffee production capacity exceeded its quota of 2.3 million bags, but export volumes were still diminished by economic and security problems.

Also, large amounts of coffee were still

being smuggled out of Uganda for sale in neighbouring countries.

Weird cutting down of coffee trees

And because the CMB would take long, up to a year sometimes to pay the farmers from who it got the coffee on credit, the farmers started to cut down coffee trees and replace them with food crops such as cassava from which they would get quick cash.

This news alarmed Government because foreign proceeds from coffee were Uganda's economic lifeline.

According to former finance minister Ezra Suruma, the Bank of Uganda intervened on instructions from the Government and took cash to pay coffee farmers with the hope that they would stop cutting coffee trees.

To effectively promote and develop coffee as a cash crop, Suruma was sent to Madagascar, Costa Rica and Columbia with a team of four on a benchmarking mission.

Liberalization of coffee exports

On return, several meetings were held. One of the key recommendations was to liberalize the coffee exports business to additional players. The returning team also recommended the setting up of a new body to replace CMB in promoting coffee production and enforcing coffee quality standards. In light of that, the name of the new body would include the words 'development' and 'authority'.

While the CMB had been formally a trading organisation, the new body was to promote the coffee sub sector and to regulate it so that Uganda would maximize both the production and value of her coffee.

Consequently, Uganda Coffee Development Authority was formed to facilitate the increase in quality coffee production, productivity, and consumption working with farmers, nursery operators, processors, exporters and coffee traders.

UCDA is mainly a service provider and the services availed to its stakeholders include the provision of clean planting materials, farmer, barista, processor and roaster trainings and market research and information dissemination to stakeholders.

Before co-operatives became dysfunctional in Uganda, coffee was grown on a smallholder basis, buttressed along a structured value chain with the farmer at the production level.

Coffee farmers form cooperative groups

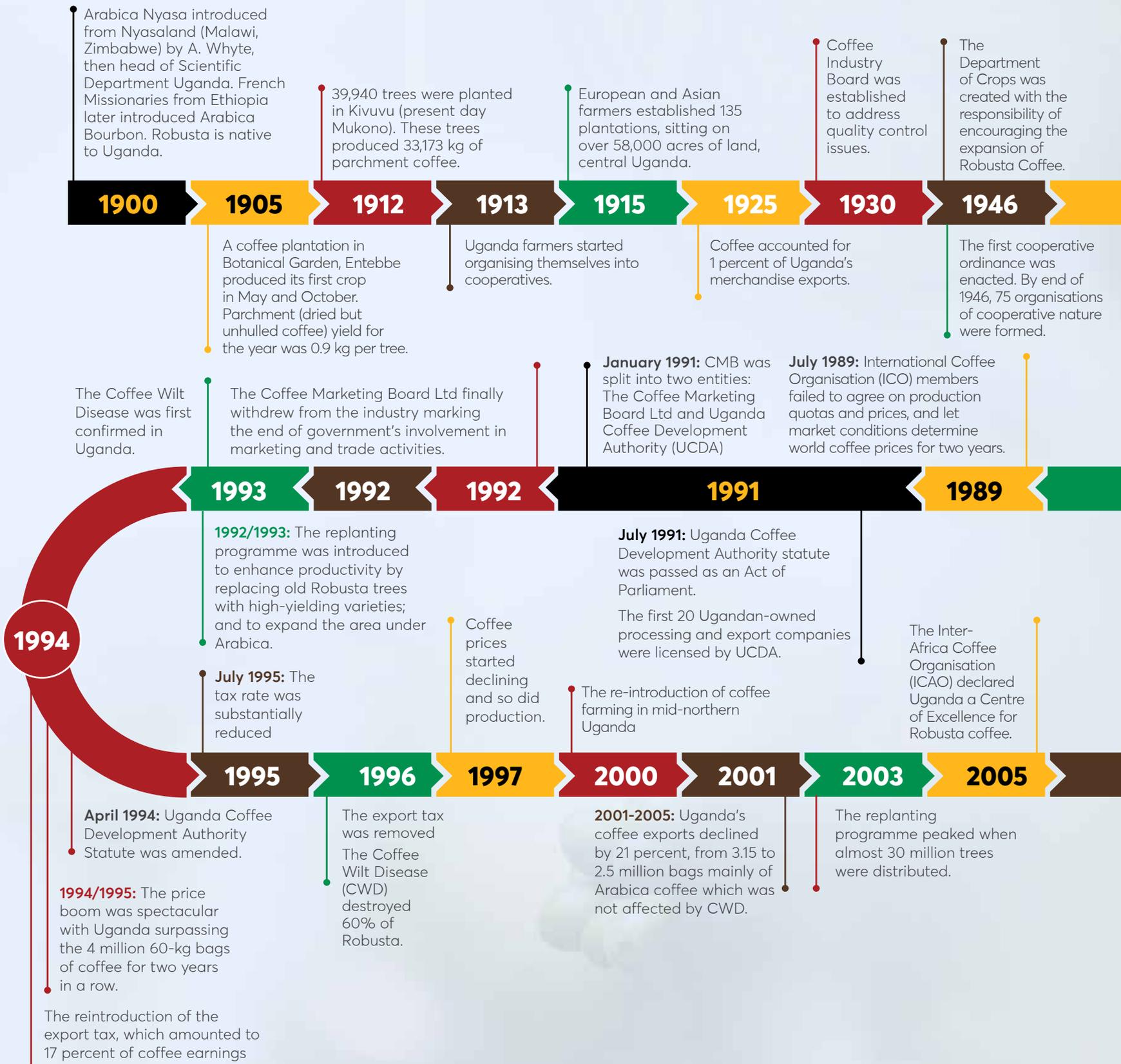
The smallholder farmers organised themselves into cooperatives as early as 1913 and operated informally till 1946 when they got registered. However, the liberalization of the coffee industry in 1991 led to the collapse of cooperatives.

Presently, there are up to 126 coffee-growing districts structured into five geographical regions, including the Central, Northern, Eastern, Western and South-Western. Of the 126 Districts, 88 grow Robusta only, 15 Arabica only while nine districts grow both Robusta and Arabica.

Players in the coffee industry have also increased exponentially, with a total of 88 registered export companies, 36 Export Grading Plants, 537 Huller (dry processing plants), and 22 washing stations.

The Central Region dominates coffee production with total plantings of 67,494,755, according to UCDA's Data Fact sheet. ■

Timeline of coffee in Uganda





The functions of the Industry Board were expanded to include price setting.

Coffee overtook cotton as the country's chief export crop.

The Coffee Marketing Board assumed full control of the Robusta coffee industry.

A coffee Act was passed that gave CMB full responsibility of all aspects of the coffee industry, including a monopoly in exports.

1953

1958

1959

1962

1969

July 1988: Government raised coffee prices from Shs50 per kg to Shs111 per kg for Robusta and from Shs62 to Shs125 for Arabica.

February 1987: Parchment Robusta producer prices rose from Shs24 to Shs29 per kg. Clean (hulled) Robusta prices rose from Shs44.40 to Shs53.70 per kg. Prices for parchment Arabica reached Shs62.50 from Shs50.

Coffee Marketing Board (CMB) was formed and responsibilities were further expanded to include marketing activities including coffee buying.

May 1986: Government raised coffee prices paid to producers to more accurately reflect world market prices and local factors, such as inflation.

Coffee accounted for most of the total merchandise exports averaging about three million 60-kg bags, 4% of global coffee supply.

1970

1988

1987

1986

1984

1980

December 1988: CMB was unable to pay farmers for new deliveries of coffee or repay loans for previous purchases. The Board owed one trillion shillings to its suppliers and Shs2.5 trillion to the commercial banks.

Coffee Marketing Board launched an aggressive programme to increase export volumes.

1984-1986: European Economic Community (EEC) financed a coffee rehabilitation program that gave improved coffee production high priority.

Mid 1980s: Seeds for reform were planted. Government began preparing proposals for coffee marketing reforms.

Government launched the Coffee Roadmap to produce 20 million bags by 2025.

2009

2013

2017

2020

2021

Uganda started formulating Robusta Protocols that are now used internationally.

August 2013: The National Coffee Policy was launched.

July 2020: Uganda exports over 500,000 60-kg bags in a single month for the first time since 1991.



August 31, 2021: H.E. Yoweri K. Museveni assented to the National Coffee Act 2021

June 2021: Uganda exported a record of more than 6.1 million coffee bags in FY2020-2021





Kiboko: Workers sort coffee beans as they dry under solar driers.

Coffee laws, policies and sector strategy in Uganda

The coffee industry was liberalized in 1991 and, since then, anyone is free to engage in business at any level in the sub sector as long as they conform to the coffee regulations of 1994. These regulations range from research, production, extension and marketing. However, depending on the level of activity, these regulations have been centralized under various ministry departments and organisations.

For instance, coffee research is centralized and done under the National Agricultural Research Organisation (NARO) through the National Coffee Research Institute (NaCORI) at Kizuza, Mukono District.

Relatedly, coffee extension is also centralized under the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and offered through Uganda Coffee Development

Authority (UCDA) in collaboration with other agencies such as National Agricultural Advisory Services (NAADS), Local Governments, coffee associations, private sector, NGOs, farmer organisations / cooperatives and individual farmers.

All these feed into a new coffee roadmap launched in 2015. The roadmap aims at increasing the production of quality coffee to 20 million bags by the year 2025, increasing



yields and expand production area. It also aims at expanding the middle stratum of commercial farmers while reducing smallholders by 2040, as well as creating an enabling environment through public-private partnership and collaboration.

In fulfillment of the Government's policy and strategy, UCDA is currently promoting coffee growing in new areas as well as strengthening the old traditional zones.

The authority is also replacing old low productive coffee with high yielding, quick maturing and disease tolerant improved Robusta varieties is encouraged and sensitising farmers to employ good farming practices and participate in marketing through their Farm Level Organisations (FLOs) or cooperatives.

Domestic and global legislation

Uganda joined the International Coffee Organisation (ICO) which came into being in 1962, and had to conform to the export quota allocated by the ICO.

The 1969 Coffee Act gave a total monopoly of coffee export and marketing to the Coffee Marketing Board, 100% owned by the Government of Uganda.

In November 1990, four cooperative unions were allowed to export coffee under the guidance of Union Export Services (UNEX). This was by Cabinet decision, as a trial of liberalized marketing, ahead of the passing of the UCDA Statute.

In 1991, a limited liability company called Coffee Marketing Board Limited (CMBL) was incorporated and was to take over the trading functions of the CMB. Consequently, Parliament

passed the UCDA Statute in 1991, and the Uganda Coffee Development Authority (UCDA) was formed.

UCDA was created as a statutory body charged with the responsibility of monitoring and regulating the coffee industry, as well as advising the Government on policy issues. In 1991, to compete with the CMBL, five (5) private companies were licensed to export coffee.

This was in addition to the cooperative unions which had started to export in 1990, after the Cabinet decision to break the CMB monopoly.

Then, in 1992, the Minister of Finance abolished the export tax on coffee, allowing exporters to retain 100% of their proceeds.

In 1992, the Government permitted pre-financing arrangements and the formation of Joint Venture companies. This introduced a new dimension to the coffee business in Uganda, increasing the liquidity in the coffee export business and greatly reducing the problems of crop financing. Owing to the former, the restriction to railway transport was also eased.

The Uganda Coffee Exporters Association (UCEA) was founded in 1992 by private coffee exporters and was later officially registered in 1993, and eventually acted as a forum that brought together all the coffee exporters.

A study was launched in 1993 by the Government, and a joint GoU/World Bank Task Force was commissioned to study the extent of the coffee sub sector Reforms and advise Government on further actions to be undertaken.

In 1994, the CMBL and the co-

operative unions under UNEX became members of UCEA. The exporters' association was later transformed into a more encompassing trade association known as the Uganda Coffee Trade Federation (UCTF) in 1996, to bring together all those involved in coffee trade in Uganda.

This included registered coffee exporters, processors, roasters, brokers, traders, coffee growers, banks, insurance companies, and transporters, input suppliers, and clearing and forwarding companies.

Later, the UCDA Statute was amended in 1994, to ease trade and allow for more participation of the industry players in the decision-making process. The minister's powers were reduced and the structure of the board of UCDA was modified to include more private sector representatives.

In June 1994, the coffee export tax was re-introduced, as a "coffee stabilisation tax", with much influence from the IMF. This tax was later abolished in June 1996. Its implementation was, however, tainted with allegations of gross mismanagement.

Widespread complaints of tax evasion and tax avoidance practices engaged in by unscrupulous traders and businessmen who joined the exporters' ranks greatly contributed to uneven ground, leading to unfair competition.

In 1994 a government-appointed Task Force recommended the setting up of the Coffee Research Centre (COREC). The Centre was finally established in 1996 under the National Agricultural Research Organisation (NARO) at Kituuza, Mukono District.

The following year, the Uganda Coffee Farmers Association (UCFA) came into being in 1995 to mobilise coffee farmers

to address problems faced by the coffee farmers and also to address problems of quality control at the farm level.

In 2003, UCFA changed its name to the National Union of Coffee Agribusiness Farm Enterprises (NUCAFE) as a response to members' needs.

In 1995 the mandatory floor (minimum) export prices structure of UCDA was abolished and was replaced with indicative prices, as World Bank conditionality before the release of one tranche in the IDA structural adjustment credit to Uganda.

By September 1996, there were more than 180 coffee export licenses issued. This was made easier by the liberalisation of the foreign exchange market and guaranteeing of repatriation of profits.

However, due to management problems and other factors, many coffee exporters ended up in serious trade and financial difficulties that forced them out of business.

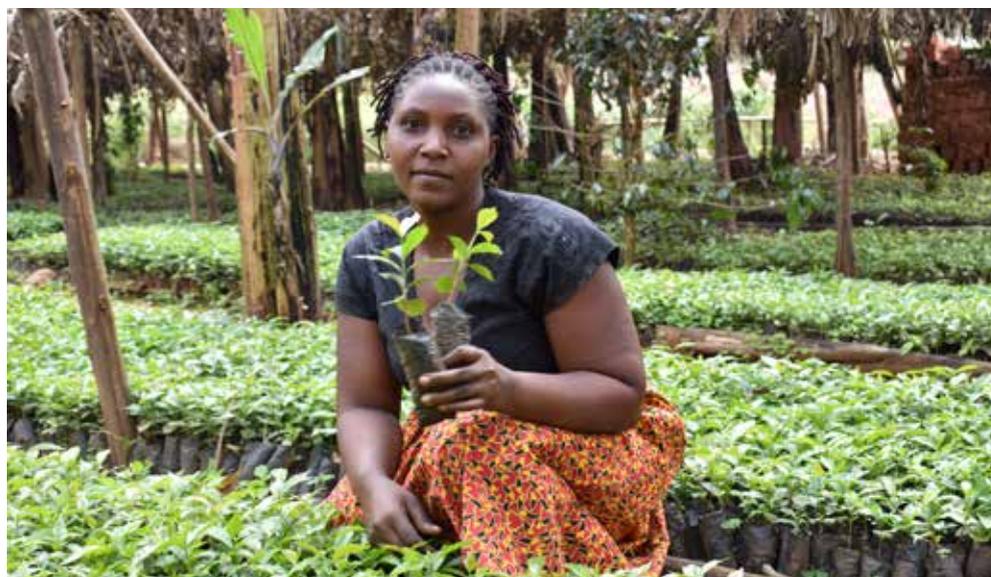
Industry players indicate that by 2017/18 the country had 88 registered export companies and 36 Export Grading Plants.

Post liberalization, the coffee supply chains are now reasonably competitive and efficient but these have posed some big challenges that have to be addressed in the next century.

However, there is still a need for mainstreaming coffee research. The current state of coffee research in Uganda cannot respond immediately to the industry demands.

Although the establishment of the Coffee Research Institute has almost been assured by the government, it goes beyond an Institute.

Uganda has the potential of being



Kyomuhendo Charity, proprietor of Tindihunga Nursery Operators in Nyakahaita village, Nyabushabi Parish, Kyanamira Sub-county, Kabale district.

the biggest coffee producer but is still constrained by limited research, lack of sufficient infrastructure, human and capital resources.

This is compounded by the prevalent incidences of pest and disease outbreak in various coffee growing areas and drastic weather changes associated with climate change and global warming that adversely affect production and yields.

Over 90% of the coffee in Uganda is produced by smallholder farmers, who have been growing coffee by default. These will only receive technical assistance or extension services if they subscribe to a given farmer organisation.

Therefore, the government must have deliberate effort to attract more investments in medium to large scale coffee farms so that out-growers can also tap into the knowledge and experience of the big brothers.

They can also have access to technical support in crop production and new technologies, leading to higher yields and productivity with the ultimate aim of transforming into more highly skilled

and commercially oriented farmers.

Needless to say, domestic coffee consumption is still low in Uganda, estimated at around 3% to 5%. However, in the recent past, we have seen the number of coffee shops and roasters increasing to over 30.

The government has also been inviting investment into soluble coffee production and this is expected to be on the government agenda until it materialises.

Due to the population growth, land that was previously under coffee has been lost to other enterprises such as real estate and factories while the other areas have been diverted to crops that give quicker returns like maize and beans.

With the receding availability of land, Coffee research should work around the clock to find better yielding varieties. Farmers should also follow the good agricultural practices to increase their yield per hectare. This should be followed by differentiated marketing to realise the maximum benefits.

The coffee industry has maintained its status as the main cash crop of Uganda and it is up to all the players to maintain its glory.

It is through the efforts of the Uganda Coffee Development Authority (UCDA) that have boosted both production capacity and quality.

National Coffee Act 2021

In August 2021, Parliament passed the National Coffee Bill 2021, which President Yoweri Museveni assented to later, creating a new chapter for the coffee sub sector in the country.

The law was ascended to in August 2021, to facilitate the development of a competitive, participatory and sustainable coffee sub sector, and empower UCDA to regulate, promote and oversee the coffee sub sector.

Since its enactment, UCDA is now mandated to regulate all on-farm and off-farm activities in the coffee value chain.

This includes generation of planting materials, soil management, irrigation, pest and disease management and harvesting all the way to off-farm activities including drying, sorting, primary, secondary and tertiary processing.

It also seeks to address new developments, advances and challenges that have emerged in coffee research and extension services, farmer organisations and climate change.

The Act also empowers UCDA to provide coffee extension services beyond agronomic practices and to register all farmers engaged in coffee production in order to enhance planning, traceability and service delivery.

In addition, the Act introduces a voluntary



Over 90% of the coffee in Uganda is produced by smallholder farmers, who have been growing coffee by default. These will only receive technical assistance or extension services if they subscribe to a given farmer organisation.

coffee auction system to offer an alternative method of selling coffee. This should bring dynamism and efficiency in the sub sector resulting from increased competition in the selling of coffee.

Since then, UCDA has embarked on conducting engagement meetings with key stakeholders in preparation for the registration of the 1.8 million coffee farmers across the country, in accordance with its new mandate.

According to the executive director, Emmanuel Iyamulemye, registration of coffee farmers is important because it will enhance traceability of exported coffee right from the farm level.

Coffee export target

In April 2019, Uganda launched an ambitious campaign to become the world's third-largest exporter of coffee by 2025, shipping 20 million 60kg bags per annum.

With a promising yield of 6 million bags last year, the executive director believes this is evidence that the task can be accomplished, given that in the current year, more than 6 million bags are expected.

After seeing millions of its Robusta coffee trees get decimated by the coffee wilt disease in the 1990s, Uganda's scientists began breeding new, disease-resistant varieties.

Since then, new varieties with better properties in terms of yielding and disease resistance have been identified, with 22 Arabica varieties giving a lot of promise.

According to UCDA, the new varieties have strong disease resistance and climate change adaptation properties, because research has previously indicated that climate hazards such as droughts, floods and changing rainfall patterns negatively affect all actors along the coffee value chain.

It also shows that coffee farmers and processors generally tend to be more vulnerable to climate hazards than traders, middlemen and exporters, due to their limited diversification and weak organisational capacities.

Domestic consumption

Although Uganda is generally considered Africa's largest coffee exporter, domestic consumption has remained low, until recently, after the rise of a new trend- the emergence of coffee bars.

The rise of the specialty coffee culture, inspired in part by elite young Ugandans returning home from travels, and the rise of a middle-income class, that is willing to explore and spend on premium coffees has also been credited for the rising domestic consumption.

Sector critics also credited rise to market liberalization, which allows Ugandan coffee to flourish as a global coffee origin, while empowering locals to learn more about the benefits of coffee consumption. ■

New coffee law good for industry, stakeholders

The development of the National Coffee Act was a highly consultative process that sought and incorporated the views of a wide range of stakeholders in the coffee sub sector. The process for the revision of the coffee sub sector law began in August 2013 when Cabinet approved the National Coffee Policy, 2013.



Eunice Kabibi, Legal Manager, Uganda Coffee Development Authority (UCDA)

National Coffee Act, 2021

The President Yoweri Kaguta Museveni signed the Coffee Bill into law on 31st August 2021 and on 13th September 2021 the Act was gazetted.

A

Regulatory Impact Assessment (RIA) and consultative meetings were held and Cabinet approved the principles for the revision of the Coffee Law in 2017.

On November 23, 2018, the National Coffee Bill was published in The Uganda Gazette, and later, it was tabled for the First Reading in Parliament on 30th April 2019.

Slightly over a year later, on August 05, 2020, the law was passed by Parliament, with some amendments, although four months later, President Yoweri Museveni

returned it to Parliament for a review of some provisions, such as touching the appointment of the board.

In March 2021, Parliament reconsidered and unanimously passed the National Coffee Act, 2021, after which the President signed it into law on August 31, 2021, before it was gazetted on September 13, 2021.

The purpose of this law is to facilitate the development of a competitive, participatory and sustainable coffee sub sector in accordance with the National Coffee Policy of 2013. The law is also meant to facilitate for the Uganda Coffee Development Authority (UCDA) to regulate, promote and oversee the coffee sub sector across the value chain, including all on-farm and off-farm activities.

In the old UCDA law, the current needs and long-term goals of the government were not met, and so the new law seeks to address new developments, advances and challenges that have emerged in coffee research and extension services, farmer organisations and climate change.

With the National Coffee Act, 2021, UCDA will comprehensively regulate the coffee value chain starting with on-farm activities, which include generation of planting materials, soil management, irrigation, pest and disease management and harvesting all the way to off-farm activities including drying, sorting, primary, secondary and tertiary processing.

The Act also empowers UCDA to provide coffee extension services beyond agronomic



practices and to register all farmers engaged in coffee production in order to enhance planning, traceability and service delivery.

In addition, the Act introduces a voluntary coffee auction system to offer an alternative method of selling coffee. This should bring dynamism and efficiency in the sub sector resulting from increased competition in the selling of coffee.

Furthermore, the law repeals and replaces redundant clauses that have been overtaken by the time such as the setting of minimum prices and putting in place a price committee. This is not sustainable in a liberal economy.

The main difference between the new and previous law is that the latter only covered off-farm activities from marketing and processing, leaving on-farm activities like generating planting materials, harvesting, and post-harvest handling (including drying of coffee) and coffee extension services outside the scope of the law.

As a result, the sub sector was not able to perform to its maximum or expected capacity and UCDA's role was limited. With the new law, the Authority will regulate the on-farm and off-farm activities including seed gardens, nursery management, pests and disease control, rehabilitation, harvesting, drying, grading, processing and marketing. UCDA will lead the implementation of coffee specific extension services by coordinating the efforts of different agencies and stakeholders.

The new law also provides for coffee research and development, which is vital for the improvement of production and productivity, quality and value addition, market

development and intelligence, and institutional development and accountability.

Another point to note is that the penalties for offences committed, such as operating or exporting without a valid licence, being in possession of immature coffee or distributing substandard or diseased planting materials, among others, have been strengthened to match the objectives of the regulatory framework, making it good for the transformation of the coffee sub sector.

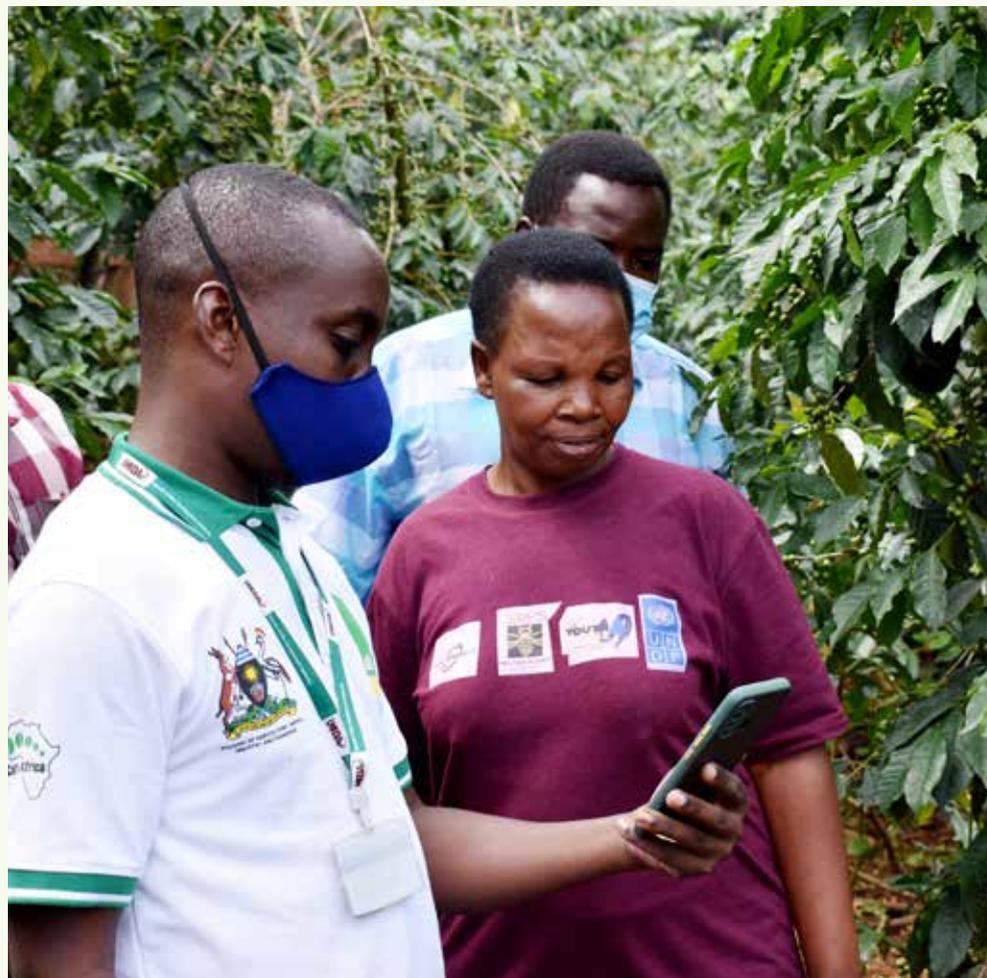
Contrary to popular talk, coffee farmers will not be licensed under the new legal regime. Part IV of the Act provides for the registration of

coffee farmers, nursery operators, seed garden operators, farmer organisations and cooperatives, but not licensing.

The Authority will use the information compiled to facilitate the provision of services to coffee farmers individually or through farmer groups. This includes extension services as well as budgeting and planning.

It should also be noted that registration will have no cost for the farmer. UCDA or its representatives in liaison with other Government entities shall carry out and bear the cost of the registration.

To the farmers, those registered will benefit from the provision of extension



Matia Mugerwa the regional coffee extension officer for Sironko district, explains to coffee farmers the importance of farmer registration.

National Coffee Act, 2021

The purpose of the National Coffee Act, 2021 is to facilitate the development of a competitive, participatory and sustainable coffee sub sector in accordance with the National Coffee Policy (2013); to provide for the Uganda Coffee Development Authority to regulate, promote and oversee the coffee sub sector; and to regulate all on-farm and off-farm activities in the coffee value chain.

and other services, leading to improved yields and good quality coffee, which means more income.

The farmers will also be protected from exploitation by unscrupulous sector players because these (sector players) will be licensed to ensure compliance in the industry.

From a broader perspective, the law is expected to deliver several key milestones to the economy. For instance, it is expected to boost research at all levels of the value chain, in collaboration with the Directorate of Agricultural Extension Services in the Ministry of Agriculture.

It is also expected to stimulate production in line with the Coffee Roadmap to see production rise to 20 million 60kg bags by 2025, loosely translating into 2,000kg per ha per annum.

In retrospect, Uganda's coffee sub sector has the potential to contribute 30-35% of the targeted national per capita income of UGX 24 million per household, per annum, in line with the National Development Plan III (NDP III) .

It also can generate approximately a 1.2

million jobs across the value chain by 2025, increasing production volumes as it reduces costs for farmers through the promotion of bulk processing.

Uganda is currently the tenth largest coffee producer on the globe, and the seventh-largest exporter, in addition to being the largest exporter in Africa.

Increasing our coffee export brings in vital forex for the implementation of other government development programs. Currently, the average earning from coffee is about US\$ 500m per year, although this could potentially rise to US\$ 2 billion.

Presently, UCDA has embarked on the registration exercise for all farmers to bring services closer and improve crop traceability. Key stakeholders are already being met, as the Authority looks to the registration of approximately 1.8 million farmers across the country.

Hitherto, Uganda has not enjoyed the comparative advantage of its intrinsic coffee quality characteristics since it is not profiled and lacks a traceability system like other origins.

This is evidenced by the absence of Uganda coffee brands on the international market compared to other coffee origins like Ethiopia, Kenya, Malawi and Rwanda whose combined coffee exports is lower than Uganda's.

Most of Uganda's coffee is sold as green coffee and although graded, fetches relatively lower prices than sustainable coffees under the Organic, Fair Trade and Rain Forest Alliance.

This leads to lower farm gate prices, hence lower farm incomes, lower export prices, and consequently lower foreign exchange for Uganda.

Perhaps, one thing to note is that the registration of farmers is not in any way linked to taxation, but to the enhanced distribution of farm inputs and irrigation, which will subsequently increase coffee production and productivity. ■



H.E. President Yoweri Museveni assented to the Coffee Act on August 31, 2021.



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'Your Growth is Our Pride'



National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE)

National Union of Coffee agribusinesses and farm Enterprises (NUCAFE) is an umbrella National coffee farmers' organisation founded in 2003 as a successor of the Uganda Coffee Farmer's Association (UCFA). NUCAFE has grown and evolved as a vibrant private sector led farmer organisation formed to serve and position farmers well in the liberalized coffee value chain in Uganda.



Mission

To establish a market-driven system of coffee farmer enterprises and organisations which are empowered to increase their household incomes through enhanced entrepreneurship and innovation.



Vision

Coffee farmers profitably own their coffee along the coffee value chain for sustainable livelihoods, consumer satisfaction and societal transformation.



Values

Shared Value Creativity and innovation
Social Entrepreneurial culture
Supply chain



Strategic Objectives

Strategic Objective 1: To strengthen organisational capacity of NUCAFE as a Centre of Excellence in Innovation and social entrepreneurship

Strategic Objective 2: To strengthen organisational capacity of member enterprises / organisations

Strategic Objective 3: To empower coffee farming families in the profitable segments of the coffee value chain

Strategic Objective 4: To enable a conducive environment for sustainable coffee value chain in Uganda

National Union of Coffee agribusinesses and farm Enterprises (NUCAFE)

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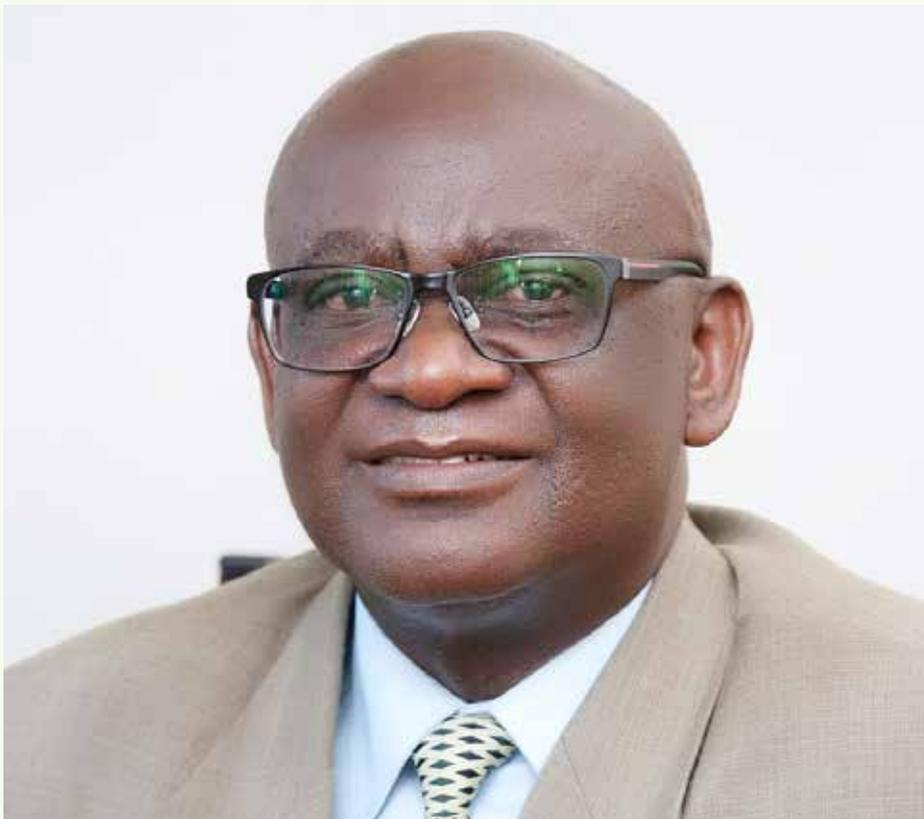
3

COFFEE PRODUCTION AND PRODUCTIVITY

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR

Uganda coffee rising to the task, positions for lucrative global market

In 1991, the Uganda Coffee Development Authority (UCDA) was established by an Act of Parliament and was mandated with regulating the coffee sub sector, to ensure that farmers get better markets and prices for their produce.



Apollo Kamugisha, Director Development Services, UCDA

A department of research and development was thus established, although it primarily focused on socio-economic aspects of the value chain, until the mid-1990s when it was deemed necessary to focus on biological research.

By 2013, the national coffee research institute had been established, with support from the common fund for commodities and the government of Uganda, to spearhead the research, and come up with disease-resistant coffee varieties.

At the time, the research department had

evolved into the Directorate of Development Services, which now collaborates research with the coffee research institute, and provides extension services to the farmers.

To date, the bulk of what we do is providing advisory and technical skilling for coffee farmers, through our extension agents and officers across all 121 coffee districts.

But because the ratio of extension officers to farmers is low, some officers handle more than one district although our desire is to have one officer per district.

In 2021, the old law was adjusted, under the National Coffee Act, 2021 to give UCDA the mandate to oversee everything that happens within the coffee value chain, from research to coffee nurseries, farming, harvesting, processing, marketing and export.

At the time UCDA was formed, the country had registered some stagnation in the volume of coffee exports, recorded at between 2.5 million to 2.7 million bags per annum because the farmers were not planting new coffee trees and the ones in existence were so old with a low yield per tree.

It was then that UCDA and the coffee research institute started distributing the high yielding disease-resistant clonal varieties to farmers for planting.

It should be noted that around the early 1990s, Robusta trees were severely attacked by the coffee wilt disease which wiped out nearly half of the coffee acreage, forcing us to revert to research for varieties that would not be attacked by the coffee wilt disease.



Ismail Zavuga, showing the UCDA team what his farm looked like before the intervention. Looking on is Apollo Kamugisha, UCDA's Director of Development Services

By 2008/9 the initial lines of the coffee wilt resistant varieties were released, and are still being distributed countrywide, by various coffee nursery operators by propagation.

At the time, production was also affected by quality defections occasioned by the collapse of farmer cooperatives, which had been fundamental in mobilizing and sensitizing farmers.

Progressively, we started noticing that farmers and buyers were harvesting green beans, partly because the middlemen had also become so many after liberalizing the sector, and they were competing for a static commodity.

This is why stakeholders sat and agreed that the old law was insufficient in addressing issues of quality assurance, and advocated for the new law to address all challenges

across the entire coffee value chain.

Defeating coffee wilt

The coffee wilt disease is perhaps the biggest obstacle to face coffee production in Uganda since precolonial times. First reported in 1993 in Bundibugyo, the disease had fast progression and by 2002, statistics indicate that it had wiped out 56% of the total Robusta trees.

But with support from the government and development partners, we were able to develop resistant materials which we are using to the present day.

When the varieties were ready, seven lines were released, and have since been preserved by propagation, to ensure that they remain true to type.

To date, all Robusta coffee growing districts are only supplied with propagated wilt resistant seedlings for

planting, and already we are seeing some gain from our efforts.

Our objective is to have all coffee trees replaced by coffee wilt resistant materials because some of the old trees are still prone to being attacked by the disease.

However, since some trees and old clonal lines are still in production, we decided to employ a two-pronged method, where farmers are being advised to maintain the old trees, ensuring that they give them requisite care to continue yielding highly, but at the same time, provide them with wilt resistant materials for phased replacement.

Rising production

For the first time, Uganda has started seeing a great increase in the volume of coffee production and exports.

With all previous challenges such as the coffee wilt disease, production had stagnated at around 2.7 million bags, but with the 2014 Presidential directive to produce 322 million coffee bags per annum and 20 million bags by 2030, we now see a drastic increase in production.

Following his directive, UCDA and other sub sector stakeholders went into a campaign to produce Arabica and Robusta clonal materials.

And because coffee takes about three years to mature, the trees that were planted in 2015 have already matured, with only those which were planted in 2019-2020 waiting to mature soon, and this is what gives us the confidence that the exports can only continue to increase in the medium to long-term.

Opportunities

I have been in the coffee industry since 1994, and have seen a lot of its ups and downs to say confidently that the future of Uganda coffee is bright.

At the global level, consumption of coffee is increasing at about 2.5% per Annum, which means that within the next 20years, people will be scrambling to get coffee.

At that time, our coffee will have an assured market, and the prices are projected to be fair enough, on the global market.

Back here in Uganda, we ought to remember that the coffee sub sector is fully liberalized, meaning that anybody in the private sector can invest in the value chain to make money.

Presently, we have some investments in tissue culture, but more can be done to supplement govern research and investment, because the opportunities are immense.

We are also happy that the middle-class is now coming into coffee farming, whose image has changed from that of poor illiterate people.

The middle-class has seen that there is money to make in coffee and they are going into it at a commercial level. We encourage those that have the capacity to go into coffee farming because they can't go wrong

However, that said, liberalization of the sector came along with a number of challenges, including the proliferation of crooks.

Several farmer organisations and comparatives were also killed because they couldn't compete with large private entities, which in the due time led to deterioration of quality.

However, UCDA has since entered into memorandum of understandings with the Uganda Cooperatives Alliance to start mobilizing and reviving some of the old cooperatives.



For instance, we have noted the need to prioritize water for production, prioritizing varieties such as high yielding, disease-resistant and other varieties, investing in research and productivity enhancement products like fertilisers, pesticides and fungicides.

Benchmarking

In the good early days, Uganda was ranked number three coffee exporter, ahead of Vietnam and other notable coffee exporters.

Over time, however, we started retracting until we hit number 10, and stagnated at 2.7 million bags albeit for a number of reasons.

In 1991, for instance, when the Authority was established, Vietnam had less than 1 million bags, and they came here to benchmark. Today, they export 25 million bags, although it is obvious that we have been victims of calamities.

To leapfrog and close this gap, we have benchmarked a number of leading coffee producers and exporters such as Brazil, and noted a number of initiatives we have to employ to succeed as well.

For instance, we have noted the need to prioritize water for production, prioritizing varieties such as high yielding, disease-resistant and other varieties, investing in research and productivity enhancement products like fertilisers, pesticides and fungicides.

We have also endorsed the coming on board of coffee tourism, a product of UCDA and the Uganda Tourism Board.

We haven't yet made strides and inroads for this product, although in some tourist areas such as Kapchorwa, Sipi area and Elgon, there are some initiatives to have coffee tourism off the ground.

We are also trying to encourage the development of cultural tourism, because of late, tourists and other foreign consumers want to know where the coffee they enjoy comes from, and the cultures of the people who grow it. ■



Coffee is Uganda's most valuable export crop and production has been rising as a result of UCDA's interventions in the sector.

Coffee Revolution: 30 Years of UCDA-led Sector Transformation

The coffee industry in Uganda has undergone a great transformation over the years. Uganda saw its biggest economic coffee boom in the mid-1970s when a massive frost destroyed a huge Brazilian crop where buyers had a much higher demand for coffee from the rest of the world and Uganda had the supply to meet it. From then, Coffee became the most valuable export and kept the country's economy flowing for years after, only faltering when global coffee prices crashed in 1987.

Originally introduced in the early 20th century, Arabica coffee struggled to get embraced as disease ravaged its inception. The then native and undomesticated Robusta, healthier and more resistant to disease, slowly began to dominate the country as smallholder farmers realised its potential through the 1910s and into the 1920s.

The year 1991 was a special one for Uganda Coffee Development Authority (UCDA) and the coffee sub sector. That was the year that the Authority

came into existence through an Act of Parliament. Thirty years later, it is one of the vibrant statutory bodies in the country.

The road to 30 years has been full of tales featuring the coffee wilt disease that almost wiped out the entire crop from the mid-1990s to the early 2000s.

While the crop was almost decimated in the 1990s, with unwavering effort, production was able to bounce back, as acreage grew by 116 per cent to date. Many smallholder farmers, who had

previously slashed their shambas in panic and fear, have since replanted and the crop is booming.

Currently, any farmer with 2.5 acres of coffee is able to send children to school, and provide all basic needs at home.

In her 30 years, UCDA has provided planting material, through which a multitude of houses have been financially impacted.

The President on the 31st August 2021, signed the Coffee Bill into law and on 13th September 2021, the National

Coffee Act was gazetted. Coffee is a leading cash crop and prominent Foreign Exchange earner for the country.

The impact of the National Coffee Research Center in Kituza, Mukono, cannot be underscored. Through the National Coffee Policy, the centre was established, and in partnership with UCDA, has over the years come up with new coffee varieties.

Through UCDA, a state-of-the-art laboratory was set up in Kituza and has proven to be relevant in detecting disease and multiplication of coffee materials.

A remarkable achievement over the last 30 years is the National Coffee Act. The Law is expected to turn around the coffee sub sector.

Another remarkable achievement was the launch and implementation of the National Coffee Roadmap.

In 2017, President Yoweri Museveni launched the Coffee Roadmap aimed at improving production and



Going forward, the landscape looks promising. Exports in the FY2020/2021 were 6.08 million 60kg bags worth US\$ 559.26 million, up from 5.11 million bags worth US\$ 496.28 million the previous year.

exports, boosting value addition and creating an enabling environment for investors.

A key target contained in the roadmap is the production of 20 million 60kg bags by 2025. Planting materials have since been distributed to achieve this with some results starting to register. The Government has distributed over 1.2 billion seedlings to farmers.

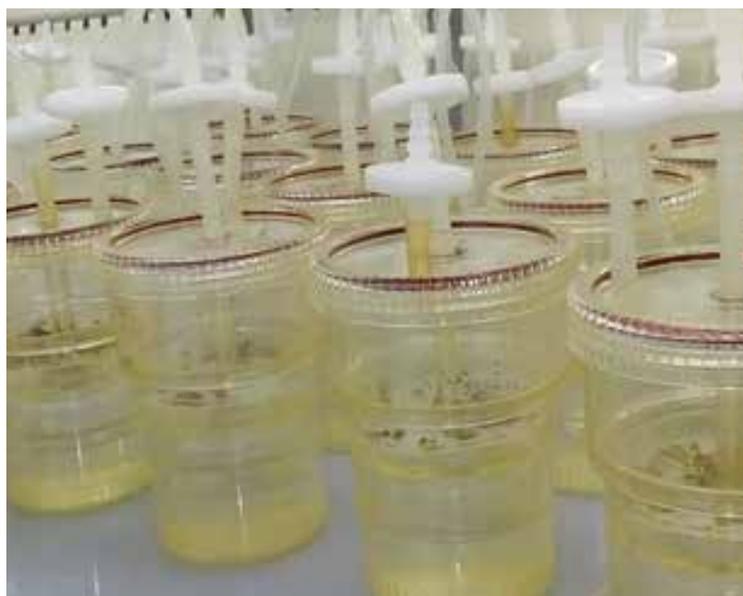
It is also important to note that new coffee culture is developing steadily, especially among the youth, as domestic consumption shoots up. The quality has likewise improved, and now, the country is ranked number three in terms of quality, on a global scale. This is no mean achievement for the sub sector regulator.

UCDA has placed great emphasis on professionalism, to drive the Government agenda of poverty reduction through increasing household income.

Very importantly, however, there has been mass sensitization of farmers, processors and all stakeholders to guard the quality of their coffee.

UCDA has been at the forefront of training farmers on good agricultural, harvest and post-harvest practices and enforcement where necessary.

Good quality coffee increases incomes for stakeholders and helps Uganda to penetrate deeper markets and attract premium prices.



Germinating embryo RITAs developing under optimised lighting conditions at NaCORI in, Kituza-Mukono.



Basic seed of Coffee Wilt Resistant Robusta Coffee Varieties (CWD-r) under screen house



Coffee ready for export: The Coffee Roadmap is aimed at improving production and exports.

One other notable aid to the good result in the sector is the partnerships UCDA has with other organisations, especially the faith-based institutions, cooperatives, farmer organisations, and district local governments.

The regulator has supported religious institutions to plant coffee on their land, in Dioceses such as West Ankole, North West Ankole, Masaka, Busoga, Rwenzori, Hoima, Luwero and many others.

To stop the export of jobs, along with coffee, as the country's youth population continues to surge, UCDA is now drumming for investors in the value-addition chain, with a plate of attractive incentives to lure them.

Already, discussions have been concluded with the Uganda Development Corporation (UDC), which is the investment arm of the Government.

Seed capital will be provided, along with other incentives to attract people from the private sector to

invest in soluble coffee plants.

A multitude of roasters have set up shop, as cottage roasteries dot the skyline of cities and towns, thus attracting Ugandans to drink coffee produced and processed locally.

However, the export of value-added coffee requires deeper discussions with several stakeholders both private and public as some countries impose taxes on processed or value-added products.

There are, however, countries with favourable terms that sub sector players can take advantage of. The Government should hold talks with "source market" governments to reach similar arrangements and increase the market for Uganda coffee.

China has opened up and is importing green beans and finished products. It is a good market, where coffee consumption is growing at 15 per cent compared to the global rate of 2 per cent per annum.

Going forward, the landscape looks promising. Exports in the FY2020/2021 were 6.08 million 60kg bags worth US\$ 559.26 million, up from 5.11 million bags worth US\$ 496.28 million the previous year. ■



The year 1991 was a special one for UCDA and the coffee sub sector. That was the year that the Authority came into existence through an Act of Parliament. Thirty years later, it is one of the vibrant statutory bodies in the country.

Uganda's Coffee Sub sector at a Glance

Coffee is Uganda's priority commodity and plays a leading role in the livelihoods of many Ugandans contributing on average 30% to the national economy. It supports over 1.8 million farming families in 126 districts. In 2017, Government of Uganda developed a Coffee Roadmap that seeks to accelerate coffee production to 20 million bags of green coffee by the year 2025. Below are some key highlights from the coffee sub sector.



17%

Currently, Uganda earns US\$ 550m (UGX 2.1 trillion) from about 4.7 million bags of coffee, which is approximately 17% of the country's GDP.



1.8m

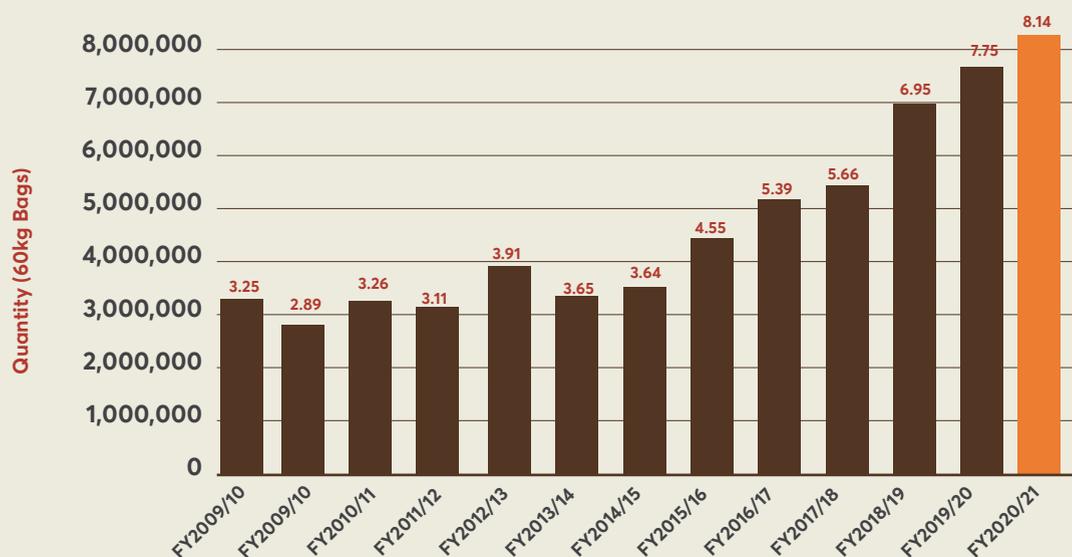
Number of households involved in coffee production.



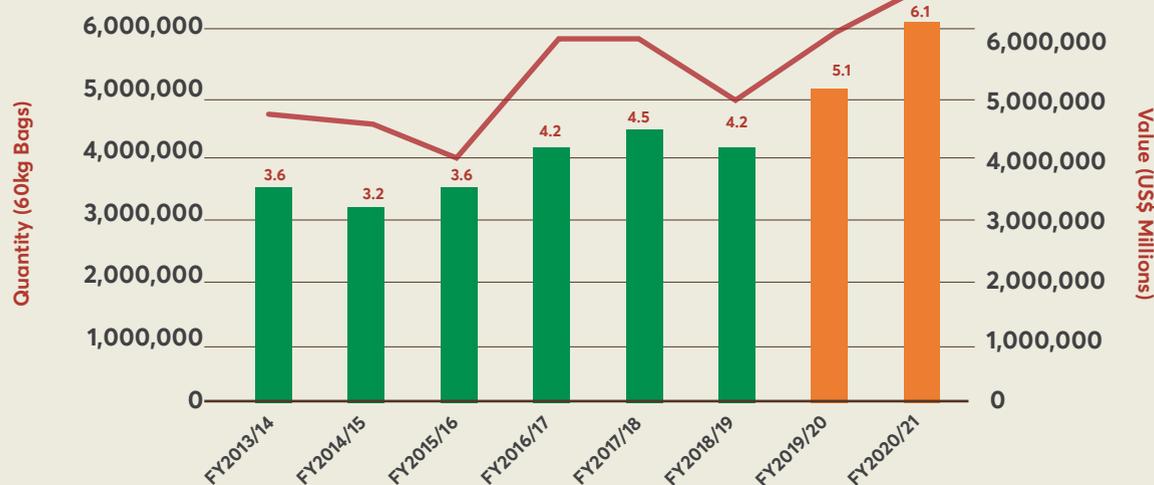
126 Districts

Current number coffee-growing districts. Of these, 88 grow Robusta only, 15 Arabica only while nine districts grow both Robusta and Arabica.

COFFEE PRODUCTION



VOLUME AND VALUE OF EXPORTS (60-KG BAGS AND US\$)



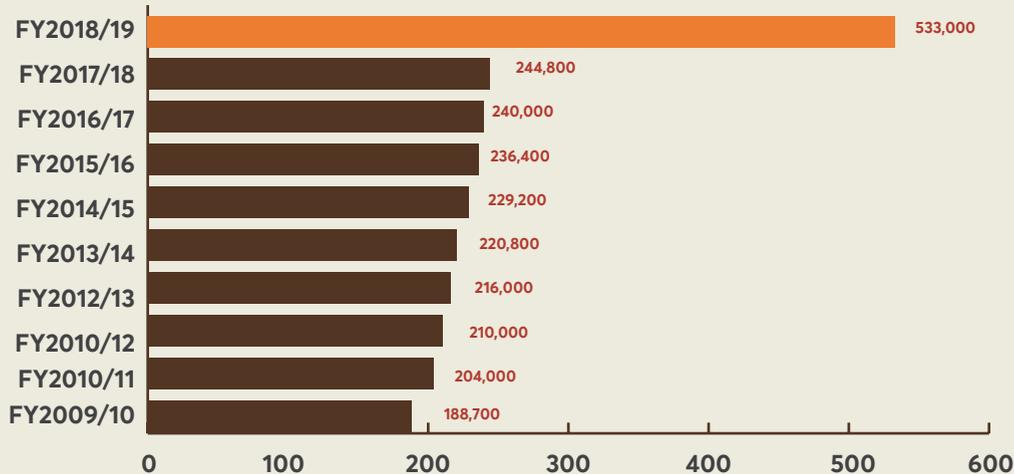


DOMESTIC COFFEE CONSUMPTION

One of UCDA's key mandates is to promote domestic coffee consumption. Over the years, this has been done through training of primary processors, baristas and brewers, quality controllers and university students to equip them with the skills of promoting quality coffee for consumption.

Number of Trainings conducted over the years

| Category | FY2016/17 | FY2017/18 | FY2018/19 | FY2019/20 |
|-------------------------------|-----------|-----------|-----------|-----------|
| Primary Processing level | 198 | 293 | 303 | 319 |
| Barista | 40 | 147 | 147 | 217 |
| Quality Controllers | 36 | 36 | 45 | 97 |
| University Interns (students) | 43 | 14 | 9 | 26 |



HEALTH BENEFITS OF COFFEE



- Mental Alertness
- Protective against type 2 diabetes
- Impressive brain health benefits
- Protects against Alzheimer's disease
- Assist in management of asthma
- Lowers the risk of liver cancer by about 40%
- Powerful antioxidant
- Helps relieve headaches



533,000

Currently, Uganda domestic coffee consumption stands at 533,000 60 Kg Bags and the provisional per capita consumption is at 1.4 kg according to UCDA.



3rd

In 2021, Uganda coffee was ranked 3rd best in quality in the world behind Ethiopia and Kenya by professional coffee tasters in a survey of the top 16 coffee growing countries in the world.



8.1 million 60kg bags

Quantity of coffee production in Uganda in FY 2020/21.



Arabica and Robusta: Celebrated Coffees grown in Uganda

Uganda is endowed with good soils that grow all types of coffee plants the world offers. The most common coffee varieties grown are Arabica Coffee - Which came from Ethiopia through Nyasaland (today's Malawi) and the indigenous wild one called Robusta coffee.

Coffee is Uganda's major cash crop, both in terms of foreign exchange earnings and employment creation. As a producer of coffee, Uganda ranks second in Africa after Ethiopia and eighth in the world.

Coffee has continued to play a leading

role in the economy of Uganda (contributing between 20 — 30% of the foreign exchange earnings), despite the vigorous efforts by the government to diversify the economy. Coffee is grown by 1.8 million households in addition to the industry employing over 5 million people through coffee value chain related activities.

Coffee is regarded as the most strategic commodity whose development is being accelerated across the country to enable the sector to continue playing a leading role in wealth creation and fighting poverty at household level.

To achieve this, it is critical that



Ugandan farmers enhance their production and productivity at farm level in a sustainable way that addresses the social, ecological and economic dimensions. The Government approved and launched a National Coffee Policy in 2013 and a National Agricultural Extension Policy in 2017. These policies rely in part on a functioning public and private agricultural and coffee-specific extension service.

It is the country's target to achieve lower-middle-income status by 2040. To achieve this, the country targets an income level of about UGX 20 million per household. Arabica Coffee offers a good opportunity to contribute to the attainment of this target. With good investments and management, income from one hectare of Arabica Coffee can fetch

about UGX 10 million and above per year.

Robusta and Arabica handbooks have been developed to boost coffee

production countrywide. They aim to provide an up-to-date technical resource to help build the human resource capacity.

The handbooks also assist in building an efficient and effective public and private extension service for Arabica and Robusta production and marketing.

They will increase awareness on the part of the general public on the benefits of growing Arabica and Robusta Coffee.

In addition, they will Facilitate the growth of Coffee varieties enterprises especially at medium and large-scale levels in light of the current coffee development strategy for propelling the country into middle-income status in the medium term. ■



Presently, there are up to 126 coffee-growing districts. Of these, 88 districts grow Robusta only, 15 districts grow Arabica only while nine districts grow both Robusta and Arabica.



A coffee farmer picking ripe robusta cherries.



Improved Arabica varieties are quick maturing and disease tolerant.

Quality of Arabica Coffee in Uganda improving by leaps and bounds

The contribution of Arabica Coffee to Uganda's export and foreign exchange earnings has increased from 2% in 1991/1992 to 23% in 2017/2018 Coffee Year in quantity and 14% to 28% in US\$ value respectively. In fulfillment of the Government's policy and strategy, production is being boosted in old traditional Arabica Coffee growing zones but also being encouraged in new areas. Rapid replacement of the old, low productive Arabica Coffee with high yielding, quick maturing and disease tolerant improved varieties are encouraged.

Arabica coffee

Arabica Coffee can grow up to 12 metres tall in the wild; its leaves are dark green and oval or oblong. The plant produces white flowers and deep red berries which contain two seeds each.



Farmers are being sensitised to grow the high yielding Arabica Coffee varieties, employ good husbandry practices and participate in marketing through their Farm Level Organisations (FLOs) or cooperatives to benefit from bargaining power attained when marketing as a group.

The coffee roadmap targets to increase the production of quality coffee from the current figure of about 6 million bags to 20 million bags, which would make Uganda one of the top global producers. It targets to increase yield by 3 to 4 times and expand production area by 20% in traditional areas and 25% in new areas).

The roadmap also aims at expanding the middle stratum of commercial farmers from the current 100/v to 65% while reducing smallholder farmers from 85% to 25% by 2040. An enabling environment through public-private partnership and collaboration is also envisaged.

In order to reap the economic benefits from coffee production and attain the Government's goal of middle-income status and Vision 2040,

it is recommended that good agronomic and post-harvest practices be applied by all categories of farmers, processors and traders.

These include acquiring good planting material, adopting proper husbandry, ensuring that good pest and disease control methods are undertaken, carrying out good post-harvest handling and engaging in coffee production as a business.

Characteristics of Arabica Coffee and its importance

Arabica Coffee can grow up to 12 metres tall in the wild; its leaves are dark green and oval or oblong. The plant produces white flowers and deep red berries which contain two seeds each. The berries contain less caffeine than Robusta.

Arabica Coffee grows well in temperate environments, usually at altitudes between 1,300 and 2,500 metres. The plants can grow to around 5 metres in height, although commercial plants are usually kept short Arabica Coffee farmers pick the berries and remove the flesh, leaving only the bean.



The beans are then washed and dried before being sold.

In Uganda, the four recommended and authorised Elite Arabica Coffee varieties are SL 14, SL28, KP423 and KPIG2. The benefits of growing Arabica Coffee are numerous.

- The quality and price of Arabica Coffee is rated much higher. It is thus more competitive on the international market because of its superior quality.
- Furthermore, most gourmet/premium coffee is produced from 100% Arabica beans.
- Arabica Coffee can be well integrated with other crops on the farm hence increasing returns to the farmer.
- It is a beverage with documented health benefits.

Arabica Coffee Growing areas and varieties

Arabica Coffee is one of the two major types grown in Uganda and accounts for 20% of Uganda's coffee volume. It is grown in the highland areas on the slopes of Mt. Elgon in the East, Mt. Rwenzori in the West, Mt. Muhabura in the South Western Region and Okoro highlands in West Nile plus other highland areas at an altitude between 1,200-2,500m above sea level.

White Nile Arabica Coffee: This Arabica coffee comes from the northwestern part of Uganda. The coffee has a rich creamy buttery body refined acidity with a creamy disappearing aftertaste.

Rwenzori Arabica Coffee: This is grown on volcanic soils on the slopes of Mount Rwenzori located in the western region of Uganda. The coffee plantations are constantly irrigated by the water from the various water lakes of Mt Rwenzori. The naturally processed Rwenzori coffee has a strong mouth-feel with a floral and wine flavour, while the wet-processed coffee has a lightly neat mouth-feel, soft

acidity and distinctive flavour.

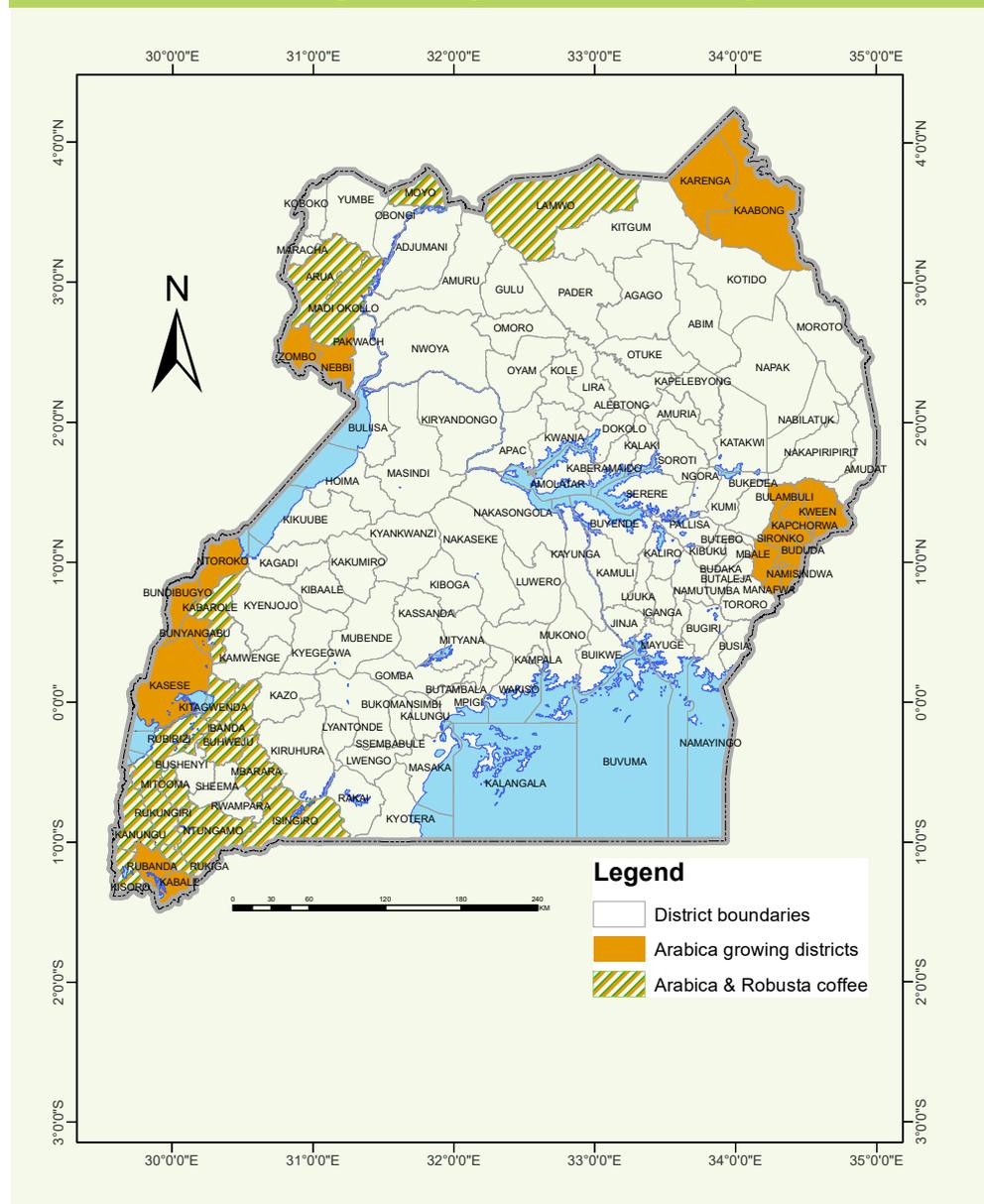
Nyakishenyi Arabica Coffee: Grown in the highlands of southwestern Uganda, Nyakishenyi coffee has a well-balanced cup with crispy acidity, a smooth mouth-feel and a rich flavour.

Kisoro Arabica Coffee: Grown on the slopes of Mt. Muhabura in southwestern Uganda, it has lively acidity, creamy mouth-feel and a sweet flavour with a pleasantly lingering aftertaste.

Mt. Elgon Arabica Coffee: This fully washed Arabica coffee is grown in the volcanic soils on the slopes of Mt. Elgon in Eastern Uganda. The beans produced are round-bodied brew with complex flavour, characteristics of lively acidity and a lingering aftertaste.

Bugisu Arabica coffee: Grown in the highlands of eastern Uganda, Bugisu Arabica has a smooth body, sweet flavour, refined acidity and pleasantly lingering aftertaste. ■

Arabica coffee-growing districts in Uganda





Why you should embrace Robusta coffee-growing

Characteristics of Robusta Coffee and its importance

Robusta Coffee (Coffea canephora) is grown in the low-altitude areas of Uganda, ranging from about 900 metres to 1,200 metres above sea level. It has a shallow root system and grows as a robust tree or shrub to about 10 m tall. It flowers irregularly, taking about 10-11 months for cherries to ripen depending on rainfall distribution and produces oval-shaped beans.

Robusta coffee

Robusta is the major type of coffee grown in Uganda, accounting for about 80% of production. It grows in most low-altitude areas (900 - 1,500m above sea level).



Robusta Coffee has a greater crop yield per tree than Arabica, contains more caffeine (2.7% compared to Arabica's 1.5% and contains less sugar (3-7% compared to Arabica's 6-9%). It is less susceptible to pests and disease, thus, needs fewer fungicides and pesticides than Arabica.

Commercial production of Robusta Coffee began in the early 1920s with an extensive production program undertaken in the 1950s. By 1960, coffee production had risen to about 2 million 60Kg bags and reached its first peak of 3.7 million in the 1972/73 coffee year and 4.2 million bags in 1996/97. However, due to market imperfections, the old age of coffee trees and poor agronomic practices, production had again declined to as low as 2.1 million bags by 1991.

After coffee liberalization in 1991, production has been improving despite the Coffee Wilt Disease (CWD) that destroyed about 56%

of Robusta trees since its detection in 1993, causing a big constraint to Robusta Coffee production.

However, through research and extension, Coffee Wilt Disease-resistant and high yielding varieties are currently available and being distributed to farmers thereby boosting production. Currently, out of 104 districts growing coffee, 60 grow only Robusta Coffee while 13 grow only Arabica. 38 districts grow both Robusta and Arabica Coffee.

There are several benefits of growing Robusta Coffee. Growing Robusta coffee provides an assured income for farmers and is a source of employment for many in particular; Uganda's high altitude Robusta is of better cupping quality and thus fetches a higher price (premium).

Like Arabica, Robusta can be well integrated with other crops on the farm hence increasing returns per unit area to the farmer. It is a



beverage with well-documented health benefits.

It is perennial, remaining productive for up to 40-50 years through rehabilitation.

Special attributes of Uganda Robusta Coffee

- Uganda is the birthplace of robusta coffee. It is grown in the lowlands which enhances acidity, mild soft sweetness and gives it a natural robust taste.
- Robusta is generally cultivated with no application of chemical fertilisers, fungicides or pesticides. It is organic by default.
- It has high frothing properties suitable and ideal for espressos.
- The crop is available throughout the year.

Robusta Coffee growing zones in Uganda

Robusta is the major type of coffee grown in Uganda, accounting for about 80% of production. It grows in most low-altitude areas of Uganda, covering Central, Eastern, Mid North, West Nile, Western and South Western Uganda that are within 900 - 1,200m above sea level. Robusta has Lake Victoria Crescent as its native habitat.

Wild Robusta still grows in natural forests around the Lake Victoria basin and in the Kibaale and Zooka-Adjumani forest reserves where it is estimated that between 150-400 hectares are still under wild Robusta Coffee.

Robusta Coffee varieties in Uganda

Since 2009, the National Agricultural Research Organisation (NARO) has released 10 varieties of coffee that are high yielding and resistant to Coffee wilt Disease. ■

Robusta coffee-growing districts in Uganda



A Robusta Coffee mother garden.



President Yoweri Kaguta Museveni launching the Coffee Roadmap on April 13, 2017.

Coffee Roadmap set to accelerate Production to 20 Million Bags by 2025

The Coffee Roadmap was launched by President Yoweri Kaguta Museveni on April 13, 2017, to transform the coffee sub sector. He urged the coffee stakeholders to ensure that Uganda achieves its coffee production target of producing 20 million bags annually by 2025.

The roadmap requires stepping up efforts in a substantial manner and to move away from doing business as usual.

President Museveni called upon the Uganda Coffee Development Authority

(UCDA) to implement the initiative in order to impact the lives of nearly 1.7 million farmers and generate over US\$ 1.5 billion in export earnings annually by 2025.

He further appealed to stakeholders in

the coffee value chain to support the implementation of the roadmap.

It is on record that, President Museveni had issued a directive to accelerate coffee production from the then 4 million 6-bags to 20 million bags by 2025.



To actualise this directive, in December 2015, UCDA in collaboration with the Prime Minister's Delivery Unit convened a stakeholders' meeting in which an agenda for a Coffee Lab was agreed upon.

The stakeholders agreed on potential strategies for Government action in FY2016/2017 pending the design of a Coffee Roadmap (effectively, the results of the aforementioned Coffee Lab).

In March 2017, McKinsey & Company Limited, a renowned global consulting firm, supported the transformational process by developing a comprehensive medium-to-long-term

roadmap for the coffee sub sector.

This was done through a Rapid Delivery Coffee Lab.

The Coffee Lab identified nine key transformative initiatives that focus on putting Uganda on the path to achieving 20 million bags of coffee production per year by 2025.

They hinge on three pillars that will catalyse the transformation of the coffee sub sector in Uganda namely Demand and Value Addition, Production and Enablers.

These are further broken down into specific initiatives:



The Coffee Lab identified nine key transformative initiatives that focus on putting Uganda on the path to achieving 20 million bags of coffee production per year by 2025.

Coffee Roadmap: Initiatives to catalyze transformation

| PILLARS | INITIATIVES |
|----------------------------------|---|
| Demand and Value Addition | 1 Building structured demand through country to country deals, especially with China |
| | 2 Branding Ugandan coffee to drive demand and improve value by up to 15% |
| | 3 Supporting local coffee businesses for value addition, including primary processing and a soluble coffee plant |
| Production | 4 Strengthening farmer organisations and producer cooperatives to enhance commercialization for smallholder farmers and ensuring broad access to extension, inputs, finance and aggregation |
| | 5 Support joint ventures between middle-class owners of underutilized land and investors to develop coffee production |
| | 6 Providing and promoting concessions for coffee production on large underutilised tracts of land |
| Enablers | 7 Improving the quality of planting material (seeds and seedlings) through strengthened research and multiplication of improved varieties |
| | 8 Improving access to quality inputs by reducing counterfeiting (fertiliser, pesticides, herbicides) from current 40-60% |
| | 9 Developing a coffee finance programme with the Central Bank and Treasury to provide financing to farmer organisations (including on-lending) to smallholders), coffee businesses and investors. |

Source: Uganda Coffee Lab: McKinsey Analysis (2017)

Potential impact from the Coffee Roadmap

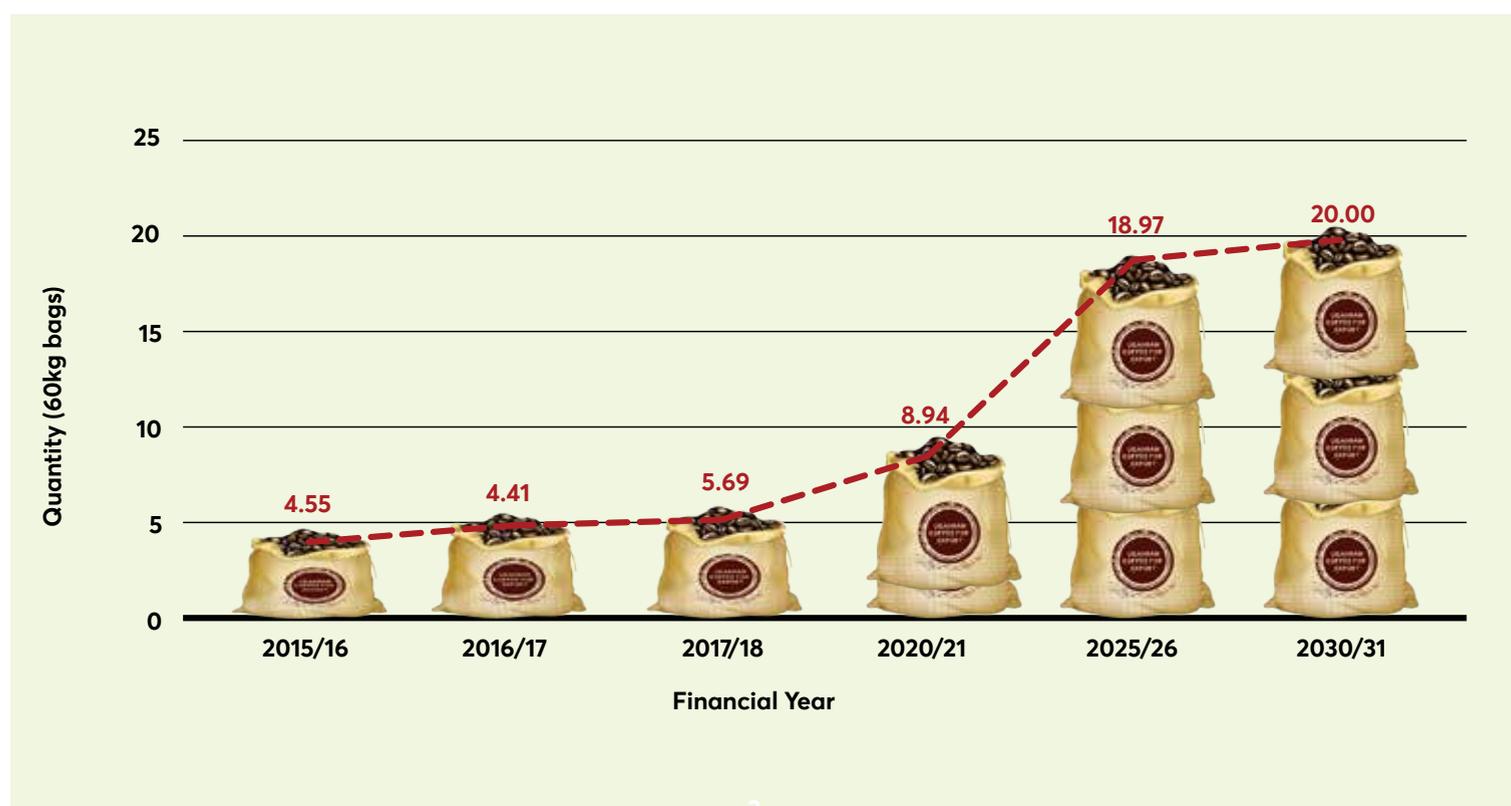
| POTENTIAL IMPACT | |
|------------------|---|
| Up to 20m | Bags of coffee production by 2025 - 2030 |
| 3 - 4X | Yield improvement |
| \$1.5 - 2.2Bn | Export earnings per year |
| Up to 1.5m | Households with improved livelihoods |
| \$1 - 1.5Bn | Financing and investment attracted in the first 3-5 years |
| 15B% | Price premium for Uganda coffee, due to strong branding |

Source: Uganda Coffee Lab: McKinsey Analysis (2017)



A coffee farmer in Sironko district receives 5 bags of organic fertiliser. UCDA is Improving access to quality inputs so as accelerate coffee production by 2025.

Coffee Roadmap projections



Source: Uganda Coffee Lab: McKinsey Analysis (2017)



Coffee has the potential to drive Uganda to middle-income status

In addition to the rich oil and gas resources that top Uganda's income generation, Uganda's coffee is said to have the potential to substantially propel the country's economic fortunes. Both the Government and development partners have highlighted Coffee as a priority, in driving the country's transformation from a Least Developed Country (LDC) to a middle-income one by 2040.

Several policies and strategies have been developed to transform this into reality.

These include the Uganda Vision 2040 and its framework National Development Plan, the National Agriculture Policy and its implementation framework, as well as the National Coffee Policy 2013.

These three frameworks are

spearheaded by the National Planning Authority, the Ministry of Agriculture, Animal Industry and Fisheries, and the Uganda Coffee Development Authority respectively.

According to the Uganda Coffee Profile Report compiled by UCDA, the Government has invested and continues to invest in coffee production through provision of clean planting material and rehabilitation of old trees through

stumping.

This is also supported by increments in farmer outreach and the provision of agro-inputs such as fertilisers (both inorganic and organic), pesticides and herbicides.

An e-voucher system is being piloted to ensure timely delivery of inputs to farmers. This is also supported by investment in rainwater harvesting

technologies and irrigation systems.

The Uganda Coffee Platform (UCP) was established in 2006 to champion the Coffee Production Campaign 2006-2015 to revamp coffee exports, which had hitherto declined.

At the time, exports had taken an undulating pattern, falling from 4.2 million 60kg bags in coffee 2006/07 to just 2 million bags in 2005/06, before gaining momentum again to 4.5 million bags in 2015.

With this, the public and the private sectors as well as the development partners and the National Coffee Research Institute (NaCORI) identified four thematic areas to revamp production.

These included research, extension services, inputs and credit, as well as strengthening farmer organisations across the country.

A three-month intensive programme was undertaken with a series of meetings to identify the critical success factors in the four thematic areas, the lead agency and associated budget.

This was spearheaded by UCDA and Café Africa. A National Steering Committee (NSC) chaired by UCDA was constituted.

Global coffee production has seen a consistent growth in excess of 2% since the 1960s. Unfortunately, the consistent global growth has not been duplicated in the African region where at a continental level, production has been declining steadily at an average rate of 2%, leading to an estimated 19% loss of global market share today.

A recently published report by IMARC Group forecasts the global instant coffee market as having grown at a



Rashid Bwengye, Quality Assurance Officer, UCDA, cupping coffee.



Maintaining quality from farm to cup is key to increasing incomes from coffee.

Compounded Annual Growth rate (CAGR) of 3.6% from 2009-2016.

This according to the report is estimated

at US\$ 9.9 billion (UGX 35.244 trillion), and it is expected to further grow by 5%, touching US\$ 13.1 billion (UGX 46.636 trillion) by 2022.

On the African continent, Uganda has, however, experienced growth in the coffee industry, making it the largest exporter of coffee by volumes.

Uganda is also the leading producer of Robusta and second largest producer of Arabica coffee, after Ethiopia, in Africa.

Ugandan coffee is unique with very good intrinsic qualities derived from the soils, geographical location and farming systems.

At the moment, 12 specialty coffee types are being sold to niche markets at high premiums compared to conventional grades.

Ugandan Robusta has a remarkably impressive cup when wet-processed. It is commonly deemed to be of exceptional quality and retains its flavour qualities very well, which cannot always be said

of washed Robusta coffees from other countries.

The bulk of soluble coffee is derived from Robusta coffee. Uganda is a large Robusta producer but does not yet have a soluble industry. Uganda is the only country in Africa with abundant raw coffee beans locally available throughout the year.

Prevailing export prices offer a good margin to a soluble coffee plant to cover major costs for any intending investor in Uganda.

Coffee is produced by an estimated 1.8 million farmers from 126 districts with a mean plot size of less than one acre.

A part from a few coffee plantations which are monocrop, the rest of the farms are mixed where coffee is intercropped with bananas and beans in what is referred to as the coffee banana zone.

Uganda boasts of a number of estate farms led by the Kaweri Coffee Plantation in Mubende District, which has an area of 2,500ha under Robusta coffee.

Others include Dr Ian Clark's farm in Kabarole District, with 320 acres of Robusta. Estate farms are estimated to account for about 5% of the total area under coffee.

The average yield for coffee is estimated at 232kg of clean coffee/acre for traditional Robusta coffee (573.3 kg/ha), 505kg/acre for improved farmers (1.2 MT/ha) and 841kg/acre (2.1MT/ha).

Inorganic fertiliser use is extremely low, although use of organic fertilisers (farmyard manure) is relatively higher, justifying the increasing number of farmers who are certified as organic or Fair-trade farmers.



Maiden processed coffee from a newly installed primary processing factory by Bunyoro Cooperative Union in Masindi. Coffee factories have sprung up in Bunyoro in the last two years due to increased coffee volumes as a result of seed, inputs and support services provided by UCDA.

According to UCDA, pests and diseases remain the main threats to coffee production in Uganda.

Between 1997 and 2007 coffee wilt disease severely affected Robusta coffee trees in many producing areas in the country, causing accumulated losses estimated at US\$ 580 million (UGX 2.06 trillion).

Black coffee twig borer is another threat to coffee production in Uganda, as its incidence has been registered at 8.6% of coffee farms, causing a loss of 40% in affected areas.

Additionally, adverse drought is known to affect yields and farm incomes, and leads to an increase in poverty levels.

Research and Extension Agricultural research in Uganda is undertaken by the National Agricultural Research Organisation (NARO), which is mandated to develop and release all

new technologies, including coffee planting material.

The National Coffee Research Institute (NaCORI) under NARO is responsible for biological research, while socio-economic and policy research is conducted by UCDA and the Economic Policy Research Centre (EPRC).

NaCORI has developed 10 Coffee Wilt Disease-resistant (CWDr) lines that have been released to be multiplied by specific farmers under the supervision of UCDA and NaCORI.

UCDA has five regional offices and 55 field extension workers providing coffee-specific extension services.

According to the Economic Policy Research Centre (EPRC) the coffee programme needs to be intensified to leverage the poverty reduction effects associated with the crop with continued support to nursery development at a

rate of 3 million seedlings being planted annually.

EPRC recommends strengthening support for the primary marketing and processing infrastructure by both UCDA and private sector.

Additional support is required to strengthen UCDA's regional coordination extension system, as well as the technical support of the existing local government extension system on coffee management practices.

To realise the potential economic benefits from coffee planting in mid-Northern Uganda, more investment is heavily required in the next five years.

The sustainability component of UCDA is working to ensure that Uganda coffee exports are more of fine coffees for Robusta and specialty for Arabica.



UCDA is looking at ways of supporting the private sector to penetrate the Chinese market which will give the farmer a good place in the global coffee trade.

To ensure that the coffees are clean and of specialty quality, good planting materials have to be availed, and good agricultural practices adhered to.

Once these are met, Uganda can

go for internationally recognized certification programmes such as Rainforest Alliance.

Certification in general has potential to improve production standards which in the long run will lead to a consistent coffee quality.

In 2013, the Authority set up seven micro centres in Bushenyi, Kampala and Iganga charged with training farmers in good agronomic practices, gathering information and analyzing coffee samples to make Uganda a centre for Robusta coffee excellence.

Best coffee production practices during planting, harvesting and post-harvest handling up to processing are essential if Uganda is to sustainably produce the desired quality and quantity of coffee overtime. ■



BOWI LOGISTICS LIMITED

Bowi Logistics Limited was incorporated in October 2018, as a growing commodity trading and logistics solutions company aimed at growing its reputation and market position as a link between the excess supply in Uganda and the rising demand for organic agro-produce.

We provide organic, high quality and consistent supply of coffee, cocoa and maize.

We also follow up with farmers at the grassroots and provide training and support and make sure the harvest meets our product demands. Management has also invested in post-harvest handling and storage so that our supply is consistent.

Get in touch

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TESTIMONIES



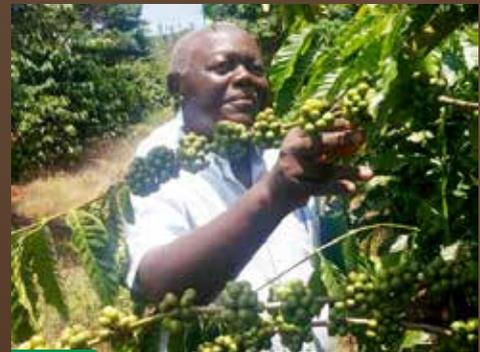
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Green gold in Karamoja: Embracing coffee to transform the lives



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From country manager to prolific farmer, the sky is the limit for Joseph Nuwagira



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Sabiiti's retirement venture



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Coffee is my way out of poverty



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Changing for better: Coffee has transformed my life

TESTIMONY

Green gold in Karamoja: Embracing coffee to transform the lives

Coffee growing can make a difference in the lives of the people living in Karamoja. This is the belief held by Robert Owili Abia, one of the pioneers of coffee-growing in Abim district.

I established my coffee garden in 2019. We are the pioneers of coffee-growing in Abim district," he said. "I have been a commercial farmer for quite some time.

In 2006, I visited a commercial farmer in Masaka district at the invitation of H.E The President of Uganda. The farmer we went to visit was called Nyombi."

When Abia saw what Nyombi was doing, he realised there is gold in

agriculture. He later visited farmers in the Sebei region and saw how they grow Irish potatoes, Arabica coffee, matooke, wheat and other short term crops such as cabbage and onions.

Abia says that visiting different farmers



Robert Owili, a coffee farmer in Abim, inter-cropped his coffee with Matooke to provide shade for the young coffee plants.

New Coffee Frontier

I wrote a concept on how Karamoja can make a difference. I took into account the fact that we have short term rainfall. I also pondered over how we can grow crops such as coffee in Karamoja. I then discussed it with Hon. Janet Grace Akech Okori-Moe, the Woman MP for Abim district. -Robert Owili Abia



Hon. Janet Okori-Moe, Woman Member of Parliament for Abim district

across the country opened his eyes to the potential of Karamoja becoming an agricultural hub. However, he needed support to make this dream a reality. "I decided to write a concept on how Karamoja can make a difference. I took into account the fact that we have short term rainfall. I also pondered over how we can grow crops such as coffee in Karamoja," he explained.

Abia discussed this concept with Hon. Janet Grace Akech Okori-Moe, the Woman Member of Parliament for Abim district and after the discussion, decided to start with matooke and coffee and evaluate its performance in the district.

"In 2019, I was given coffee seedlings but the coffee seedlings came at a time when the rainfall had subsided. I went ahead and planted the seedlings. When I saw how well the seedlings were growing, I picked a lot of interest," he added.

Abia consulted agricultural subject matter specialists to help him gain more knowledge about coffee.

"They advised me to grow Robusta coffee because I am in the low land and not Arabica. I also planted matooke to provide shade for the young coffee and I found it good," he says.

"Recently I requested for more coffee seedlings to increase on what I had planted. I am very optimistic that the coffee seedlings will have optimal growth and meaningful output because I have planted them at the right time."

Demystifying the myth that cash crops cannot grow in Karamoja

"It's not true that coffee cannot grow in Karamoja. In the early 90s, I recall that my father was a commercial farmer who was growing cotton. At that time, we had cooperatives that were buying cotton," Abia said.

Abia's father was also growing sunflower and sorghum for commercial use.

"We used to sell the cotton internally. The

sunflower and sorghum, were sold to Karamoja Seed Scheme Cooperative and they also sold the products to Sudan," he explained.

Abia is now looking at how to develop the coffee value chain. "It's now about looking for the market players. So, as we talk, I have a few friends in Sebei and Mbale who I am already in touch with. I am reaching out to their networks to see if we can get market for our coffee when the time comes," he said.

To improve the soil fertility in his coffee garden, Abia uses manure from his kraal.

"I am using manure from the kraal. I store it for three months then I take it to the garden," he said. "If you see the growth of my coffee and the growth of my matooke, it looks like it is in western Uganda or even central. Just because I have developed that concept, commitment and dedication to change the region for people not to think that cash crops can't be grown in Karamoja and Karamoja can't be transformed," he says with pride.

Challenges

Despite the progress, Abia says he has experienced a number of challenges, which need to be addressed in the mid-term and long-term.

One of the challenges he faced when he was starting out was the lack of guidance from extension staff. The other challenges he faces now are natural calamities, pests and diseases and the dry spell in Karamoja.

"Issues of the dry spell are really challenging because sometimes you may need to manually water the coffee seedlings so that they survive the dry spell and survive until the rainy season," he said.

"Despite this, I want to assure you that there is nothing impossible in Karamoja," Abia said with optimism. "Now that UCDA has come on board to support us, we shall go very far with our coffee." ■

TESTIMONY

From country manager to prolific farmer, the sky is the limit for Joseph Nuwagira

When Joseph Nuwagira was in Primary school, he belonged to one of the school's farmers clubs. It is here that his love for farming was nurtured. Although he did not make a career out of it, he never completely lost sight of his passion. In the early 2000s, Nuwagira and his wife (RIP) bought a greenhouse in which they grew vegetables that they supplied to Nakumatt. When the supermarket closed shop, Nuwagira changed tactics.

The former country manager of a leading provider of transport and logistics solutions in East Africa for 10 years, Nuwagira retired in 2015.

Before his retirement he met with someone from Uganda Coffee Development Authority (UCDA) who advised him on how to establish a coffee nursery.

"I started the coffee nursery in 2014 with elite coffee seedlings," said Nuwagira. "By 2018 I had been producing 50,000 per planting season."

In 2016, he applied to UCDA to establish a mother garden for Coffee Wilt Disease-resistant (CWDr) planting material that the Authority supplied to him. To date, Nuwagira operates two CWDr mother gardens at his farms in Nshungyezi and Karama, both in Nyakayojo Division in Mbarara District.

Both of them have the seven lines of CWDr which are planted and harvested in their individual lines.

The mother gardens, which are 3 kms apart, have so far produced 35,700 CWDr clones which Nuwagira supplied to UCDA for allocation to other nursery operators intending to establish similar mother gardens and to farmers for their coffee plantations.



Nuwagira in his mother garden.

"The purpose of this project is to produce the best planting material of CWDr clones for supply to farmers and hopefully UCDA will keep supporting me by allocating it to farmers," an expectant Nuwagira said. "We also intend to produce the best coffee and plan to add value to it by roasting and packing it for supply to consumers."

In addition to the two mother gardens that are producing CWDr planting material, Nuwagira also has a newly established 4-acre farm for coffee production.

One of the challenges the farmer faces

is access to farm inputs. He requested UCDA for guidance on genuine inputs such as rooting hormones that are central in establishing CWDr cuttings. He also requested for guidance on which chemicals are safe to use to control pests.

He has also had challenges with the labour on his farms. His coffee business has created jobs for people in his community but although he invests in their training, most have not been committed to the job of producing quality CWDr cuttings. It is possible they consider the work too hard or time consuming. CWDr cuttings are coffee



Nuwagira showing a newly harvested coffee clone from one of his mother gardens.

plantlets that have been multiplied asexually from a single parent plant or clone. The practice involves raising planting material by vegetative propagation from nodal cuttings. To date there are 10 lines of the CWDr varieties. Farmers are advised to get CWDr Resistant clonal coffee plantlets from only the well-established coffee nurseries such as Nuwagira's that are certified by UCDA.

Despite the challenges faced, the survival rate of Nuwagira's plantlets is 90%. He attributes this to his being present on the farm at all times. The proximity of the farms to his home is an added advantage. One of his gardens is at his home while the other two are a stone's throw away. He expressed gratitude to UCDA for the services and materials it has provided to him including seedlings, CWDr cuttings, metallic poles and shade nets, wheelbarrows, 200 litre drums, shears, pangas, slashers and hoes.

During a recent visit to Nuwagira's



Nuwagira's mother garden intercropped with matooke.

farm by UCDA Board members and management, Nuwagira said he has 20,000 seedlings ready for planting.

Each seedling goes for UGX1,500. However, he is worried that he will not be able to sell them. Fortunately, among the visitors that day was the General Manager of Ankole Coffee Producers Cooperative Union (ACPCU),

John Nuwagaba, who offered to market the seedlings.

ACPCU also produces CWDr material but they are unable to meet the demand of their clients.

With the expansion that the farmer intends to undertake next planting season, he expects to produce 30,000 clones ready for supply and by beginning next year, this will increase to 50,000 clones of planting materials.

Nuwagira plans to start irrigation on the farms as soon as funds permit.

He has a concrete 50,000 litre tank, six smaller tanks of one litre each for rain collection and a borehole at the Nshungyezi farm. His Karama farm is surrounded by three dams and a fourth one is being constructed. In total the dams will give him 100,000 litres of water. At Kigando, Nuwagira has constructed a dam of 20ft by 30ft by 7ft deep on the farm which also has a water stream. With the availability of all this water for irrigation he is confident of high yields from his farms. ■



"I started the coffee nursery in 2014 with elite coffee seedlings," said Nuwagira. "By 2018 I had been producing 50,000 per planting season."

TESTIMONY

Sabiiti's retirement venture

When he got early retirement from his job as an agricultural expert from the Ministry of Agriculture in 1999, Joseph Sabiiti had many options to choose from. After deliberating on his choices, he opted to offer his expertise at the National Agricultural Laboratories Research Institute in Kawanda (NARL) under the national Banana Research Program until 2015.

The year before he left NARL, he discovered a venture to help ease him into retirement with no hustle. While he had several crops to choose from, Sabiiti says coffee was the best alternative.

"I usually call it a crop for the elderly because it does not require a lot of energy to supervise it. Even when you have grandchildren, they can easily help you out in coffee harvesting and no loss would be incurred than in other crops such as groundnuts which would tempt them to chew," Sabiiti said.

Sabiiti is settled in Kakwese II village, Bugando ward, Nyangahya division, in Masindi Municipality, about 8kms from Masindi town.

Aside from just venturing like other farmers, Sabiiti had an urge.

"I am an agriculturalist and even in retirement, I thought it better to continue practicing my profession because

I was good at it," Sabiiti said. He is currently growing coffee on about 8 acres of which 4 acres are mature with a production potential of 7-10kgs of dry cherries per tree per year.

Since he started planting coffee in 2014, Sabiiti has over the years dealt with a number of challenges including poor market, drought, coffee pests and diseases. This he said is inevitable.



Sabiiti Joseph inspects his coffee.

"There is no risk-free business," he emphasized. "We are now also facing a challenge of labour because of the COVID-19 pandemic. By the time the lockdown was imposed, some of our workers, from Western and Eastern Uganda, had gone to visit their families and we are afraid they may not return."

As for the market, Sabiiti says he has been dealing with middle men majorly from Luwero, who he says, are not fully reliable.

Nursery business

To counter the long period taken before earning from the coffee harvest, Sabiiti has ventured into the propagation of Clonal coffee planting materials which are resistant to the coffee wilt disease. Sabiiti has a well-managed 1.2 acre CWDr mother garden with the capacity to produce 150,000 plantlets for planting by other farmers as well as to expand his production field.

"I ventured into this business 2 years



ago after obtaining information from UCDA extension staff. I have so far churned out over 100,000 plantlets for farmers in Masindi and the greater Bunyoro region," Sabiiti said. His farm has now become a referral skilling centre for many farmers on good practices for production of CWDr plantlets as well as Good Agricultural Practices (GAPs) on the farm.

"I'm doing my best to use better practices such as mulching, providing shade, pruning, and spacing. In case some do not do well, I do some gap-filling," Sabiiti said.

Alongside coffee, Sabiiti is practicing horticulture, banana growing, livestock rearing and tree planting to cash in from several streams of income.

To improve on soil nutrition, Sabiiti mulches his soil with maize stover and napier grass stalks from his gardens as well as manure from his farm. As a result, his coffee is always healthy, with big cherries, uniform ripening and generally higher outturn when hulled.

Impact on community

Just about a kilometer away from

“

As for the market, Sabiiti says he has been dealing with middle men majorly from Luwero, who he says, are not fully reliable.

Sabiiti's farm is a farmer who joined the coffee sub sector recently. John Winter Bagada learnt about coffee farming from Sabiiti.

Bagada, commonly known in Masindi for his engagement in mango growing, juice and wine processing, has for two years now been actively embracing coffee practices on a demo plot as he plans to scale-up production.

The plot has about 50 trees. Bagada

is using urine from goats to add up as manure to the coffee plants.

Handling issues of spacing and coffee wilt have been a challenge but Bagada says he always seeks information from extension officers and other farmers to guide him in managing the challenges. He hopes to expand his coffee to 5 acres and start up a big coffee model farm which would, in turn, contribute to value addition.

Neighboring Sabiiti about half a kilometer from his farm, among several other farmers, is Michael Businge.

Businge has gained skills in coffee agronomy to become a community-based facilitator working with Masindi district local government. He has 2 acres of well-managed coffee with the capacity to produce 7-10kgs of dry cherries per tree per year.

"I have gained skills from Sabiiti's farm on coffee pruning, bending, stumping, nutrition, pest and disease management among others which I pass on to other farmers in Kikwanana parish in Masindi district," Businge said. ■



Sabiiti Joseph tends to his 4-acre mature coffee farm. He uses cloned plants partly for gap-filling and expansion.



Sabiiti Joseph tends to his clonal coffee plantlets which are ready for planting.

Coffee is my way out of poverty

Doreen Awilli Amadi, 42, from Giligili village in Abim Sub County, believes that coffee can help the Karimajong escape the biting poverty if they are supported to establish coffee farms.

Awilli started with 100 seedlings which she planted in the month of July. She hopes to expand her garden when Uganda Coffee Development Authority (UCDA) avails farmers with more coffee seedlings.

How Awilli joined coffee-growing

Awilli's friend told her about some crops that could give more money than the ones they had been growing all their lives.

"We grow millet, groundnuts and simsim but our incomes have remained low," she says.

"When my friend told me about coffee and how growing the perennial cash crop can help supplement my income, I asked him to connect me to UCDA so that I also try," she adds.

Unlike other parts of Uganda where coffee plantations are abundant, few farmers in Abim have ever seen a coffee plant or know much about its cultivation. However, the majority are now turning to coffee because of what they hear from friends and in the news.

"Coffee is still a relatively new crop here. What I have heard so far is that in Uganda, coffee is the number one agricultural crop in the country. It earns farmers a lot of money," Awilli says.

"Here in Abim, we have tried all crops. We tried cassava but there is no good money. That is why poverty remains a huge challenge for us. We have the land but we lack a serious cash crop," she adds as she tends

to the young coffee seedlings in her garden.

"I picked the coffee seedlings last month from Mathias our group Chairperson. I was interested because of what I have heard about coffee," she says.



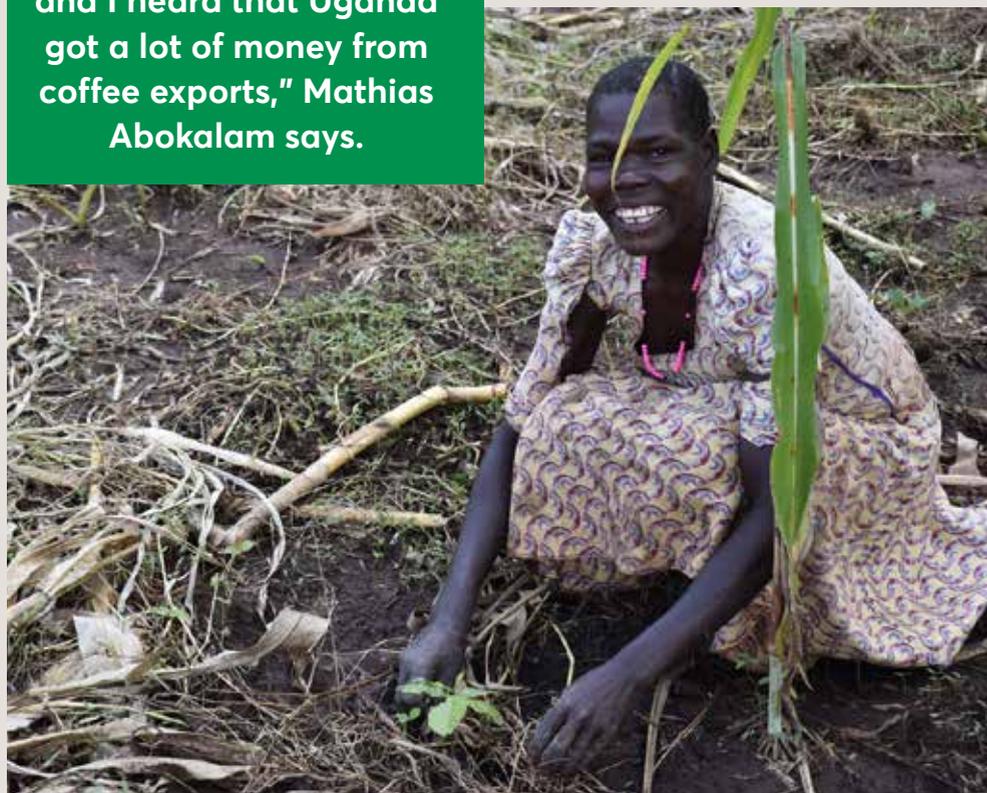
"I heard about Uganda's coffee exports over the radio. This was in the month of June. I was listening on Mega FM and I heard that Uganda got a lot of money from coffee exports," Mathias Abokalam says.

"I am happy because I believe it is a good crop. I hope God will guide me. I will harvest after 3 years. I was told to harvest only red cherries."

Awilli says that coffee is a new crop and farmers have not tried growing it before but they have interest in coffee.

"We have not tried it before. This is our first time to grow coffee," she says.

"People who see me growing coffee ask me what I am doing. They think I am a chaotic woman. Even when I started fruit trees here, they thought I was mad. But I am confident that I will earn big from the coffee," she concludes. ■



Farmers like Doreen Awilli have taken on coffee-growing to supplement their incomes and help fight poverty.

TESTIMONY



Judith Kobusingye Rutaro, a retired banker, now a coffee entrepreneur displays processed coffee at her home in Rubirizi.

Changing for better: Coffee has transformed my life

After Judith Kobusingye Rutaro retired from the bank, she returned to her coffee garden to keep herself busy and earn money to maintain her lifestyle. She started as a farmer like the rest of the community members.

When I started, planting material was not readily available. We planted whatever we found on the market. As time went on, we got coffee seedlings from the National Agriculture Advisory Services (NAADS).

However, the coffee was mishandled by the people distributing the seedlings. Some of the seedlings I received did not perform as I expected. Despite this setback, I persisted. I had a passion for coffee and I knew I would make it.

What kept me going was that I knew the value that is in coffee. This is because I already had some mature coffee trees that were earning some little money after selling to the traders.

My journey into value addition

My turning point came after I discovered that I could add value to coffee and

make more money than the traders were offering.

Most people think that value addition is about processing the final drink. This is not the case. You can grade your coffee and sell the grades at different prices. Many farmers are not doing this.

I attended several engagements and trainings that opened my eyes to the opportunities in the coffee business. I learned that coffee has different grades and you can add value throughout the entire value chain.

I attended training through different organisations such as the Ankole Coffee Producers Cooperative Union Ltd (ACPCU), Café Africa, El'Cafino Uganda Ltd, Union Export Services (UNEX) Ltd, and AbiTrust. These institutions helped me expand my view about the coffee business and how I could harness the opportunities.



I now add value to my coffee. From a kilo of coffee, I get between UGX 30,000 to UGX 40.000. Here in the garden, a kilo goes for only UGX 5 000. People here have not appreciated the importance of value addition.

I also had the opportunity to visit farmers in different parts of the country to see and learn from them. The National Farmers Market (NAFMARK)

Limited facilitated some of the visits.

In 2014, I attended a training in value addition. The training exposed me to coffee roasting, grading, and cupping. It was here that I learnt the true taste of coffee. When I came back to Rubirizi, I started doing the processing locally.

I would roast the coffee and package it for sale. I used to roast coffee on a charcoal stove and then package it. I now take my coffee to the Consortium for enhancing University Responsiveness to Agribusiness Development Limited (CURAD) for roasting and grinding. Then I package it for sale.

I am building a brand. To help grow my brand further, I keep attending various training on branding and packaging. I went as far as Mbarara and I was trained on branding.

How I have benefited from coffee

I have moved from being a coffee grower, a pensioner looking to earn a living after retirement, to a coffee entrepreneur. I thank institutions such as UCDA and other partners that have guided me on this journey. The training I have attended helped me reach this far.

I now add value to my coffee. From a kilo of coffee, I get between UGX 30,000 to UGX 40.000. Here in the garden, a kilo goes for only UGX 5 000. People here have not appreciated the importance of value addition.

I have exhibited in different parts of the country. I have traveled to different parts of Uganda because of coffee. I am very proud of this.

Looking back, I am very happy with what I have achieved. I did not know that coffee would take me places,



Judith Kobusingye's coffee on display.

make me meet people of great importance.

Venturing into coffee tourism

We have a lot of tourists coming to Rubirizi. Tourists come to see different attractions. They go to Queen Elizabeth National Park, Fort Portal Tourism City, Mweya Safari Lodge in Kasese District, and Bwindi Impenetrable National Park Uganda.

Rubirizi is at the intersection of these attractions. So, the Uganda Coffee Tourism Association (UCOTA) connected me to some tourists. Before COVID-19 struck, they used to visit my home and I would prepare coffee for the tourists. This was part of the coffee experience I was offering.

Tourists also used to come here for home-stay. I take them to the coffee garden to pick coffee. Most tourists who come here have never seen a coffee plant, mango tree, or even an avocado. So I take them to the coffee garden and they get to see these things for themselves. I have visitors from the UK, USA, and Pakistan.

The tourists love the coffee I grind myself. They want to be part of the process. They like the freshly ground coffee from here. They love the coffee I make at home.

I also process coffee and make special packages which I deliver to some of the hotels here.

I brand the coffee myself. I put my sticker and customize the branding for the hotels. However, since COVID-19 struck, the coffee business has been slow.

Challenges

Our biggest challenge is post-harvest handling. Many farmers pick green coffee and pile it. It ferments and loses the quality.



Coffee tourism has a bright future for me. While we had a few challenges, I see the economy has opened up and we look forward to more visits.



We are made to believe that when **Judith won best coffee exhibitor at the 2017 Rubirizi coffee show.**

you leave the coffee to ferment for two days, it dries faster. This compromises the quality of coffee.

UCDA should come in to support farmers to address some of these challenges. This will give us the strength to pool resources, produce more, and bargain for better prices collectively.

Another challenge I have realised is that people do not want to work in groups. Yet working together

gives us the strength to market our coffee. ACPCU one time came and mobilized us into groups. They wanted to buy parchment from the farmers. Unfortunately, the groups eventually collapsed. These are missed opportunities to help our people fight household poverty.

My call to the UCDA is to continue sensitising people about the value of coffee.

Most people do not appreciate coffee as food. They do not give it the care it deserves. They only see it as a cash crop.

UCDA should encourage us to care for the coffee and treat it as a business.

Farmers need follow-ups. I have taken the initiative to visit most of the farmers in my farmer group.

Market opportunities

Before COVID-19, I could sell about 5kg in a month but the market has dwindled. Travellers have not been coming in but I hope for better when the market opens up.

I had gotten market in Bwindi but the travel is very challenging. I am now putting grooming my son to manage the business and the travel. He is more involved now. As I get older, I cannot travel the way I used to.

I have 10 acres of coffee and it is not one block. It is fragmented. After harvest, I can roast it all. I add value to the coffee. This gives me better returns than selling it to traders.

Coffee tourism has a bright future for me. Although we had a few challenges, I see the economy has opened up, and we look forward to more visits from tourists. ■



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4

PROMOTING COFFEE QUALITY, TRADE AND MARKETING

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR

30 years of quality regulating of Uganda coffee exports

The Quality Assurance Directorate is almost as old as the Uganda Coffee Development Authority (UCDA), having started as a department a year after UCDA was established.



Doreen Rweihangwe - The Acting Quality and Regulatory Services Director

Coffee Consumption

Over the years, UCDA has registered a number of successes such as sensitizing the medical professional about the advantages of coffee consumption.

At the time, there were only five people manning the department headed by Henry Ngabirano, who is now retired, and I was a young graduate with no experience. I gained a lot of experience from this team because it had migrated with too much knowledge from the Coffee Marketing Board, after it closed. In those days, coffee was transported by rail out of the country, in food grade containers, and it was against the law to transport it using any other means to the ports of Mombasa and Dar-es-salaam, for export.

In our early days, the quality assurance department was sitting at Ambar House, before we shifted to the coffee house on Jinja Road, when it became property of UCDA, and set up our first lab.

At the time, everything was manual and hectic, but we still did a good job, because our exports at the time stood at about 3 million 60kg bags per annum. Remember, this was a time when we did not have systems, because they were developed later as and when they became necessary, until computers came and we migrated all of our records and procedures to the digital systems.

By the 2000s, computers were fully in place and we had learned how to use them, although still, there were no mobile phones to ease communication.

The lab continued at Jinja Road until 2000 when we shifted to Lugogo, because the head office had become too congested, creating an obvious need to shift the lab to an offsite location. In 2005, the International Specialty Movement came to Uganda and trained us in advanced cupping, after which we were registered as Arabica cuppers by the Coffee Quality Institute (CQI) of the USA.

We in turn trained our colleagues to create sustainability, but also trained other coffee sub sector stakeholders to equip them with knowledge of the international community's expectations, during export. After the accreditation, we realised we had a problem, because Uganda produces 80% Robusta and 20% Arabica yet the standards we had been trained in and received accreditation were for Arabica.

We quickly started pressing the CQI to develop standards for Robusta, but quickly realised these did not exist. So later they asked us to help in developing the standards using our expertise, and this is how the center of excellence was born.

Since the day we were established, our mandate has always been centered around ensuring that the coffee that we export meets international standards.

Under the directorate, we have three departments that help us implement this mandate, the first of which is the Quality Assurance Department.

Under this department, we conduct training for stakeholders, such as farmers, farmer organisations, exporters and processors along the value chain, on standards in the sub sector.

These standards include the green bean standard which is an EAC standard, which we use to do physical and sensory evaluation. We also do inspection of all exports and supervise loading of all exports in addition to issuing export documents to all coffees that are exported.

At inspection, we strive to see that all coffee for export goes in food grade containers, and our supervisors who sit onsite, in all the five zones, ensure that this is done.

Our zones are spread out in Namugongo, Ntinda, Namanve, Kawempe, Industrial Area and Bweyogerere, because much of the processes for export happen in and around Kampala.

At Lugogo, we have a lab which we basically use to test standards through physical and sensory evaluation of the coffee and has 5 attendants at all times.

The lab is fully equipped with roasting and cupping equipment and computers for capturing the data, in addition to the intermediate quality control training conducted for the quality assurance officers for the different grading factories.

We also have collaboration with the coffee institute, USA which uses our lab as an in-country lab for doing international certification for graders.

Normally, the graders are trained in Arabica or Robusta grading and after exams they qualify for a three years certificate.

In this lab, we also do cup evaluation from the samples brought from the coffee research institute in Kituuza, in addition to samples from individual farmers or farmer groups.

It should also be noted that every year, we hold a competition dubbed the best of pearl, which identifies the best coffee of the year, and its producers.

During the competition, we identify the specialty coffee and pay for their advert on the CQI website, for viewing by international buyers. The coffees are also used for promotions on each major coffee event across the world, and right

now they are in Dubai for the Dubai expo.

We also issue electronic export documents including the quality certificate which doubles as a transport permit, to enable the coffee to make the voyage up to the port, in Mombasa or Dar-es-salaam, or the airport.

The second department under our directorate is the coffee sustainability and specialty, which primarily looks at sustainable coffees, because under the Sustainable Development Goals (SDGs), agriculture has to be sustainable to feed the future generations.

Presently, we have projects that are funded by the European Union, to support farmers who wish to follow sustainable initiatives such as the Rainforest Alliance, Organic Fairtrade, and any other. We normally get a third party to train them and then support them with audit and certification fees.

The third one is the Generic and Value Addition Department, whose main work is to ensure that coffee is promoted in Uganda, and that domestic consumption grows.

The department is also charged with



Doreen Rweihangwe interacts with UGACOF staff at their coffee washing station in Kasese.



UCDA Q & R Graders are responsible for cupping and grading all Ugandan coffee before being exported.

ensuring that Ugandan coffee is visible, and sought after by international buyers. In promoting domestic consumption, the department has always hired a medical expert to train our doctors not to miss -advise patients to avoid coffee.

We also have a coffee and youth program, since the majority of Ugandans are youths, who can explore and adopt the beverage.

We also have programs in schools where we train the youths in making coffee, in addition to the university coffee clubs where we encourage these people to look at coffee as a career. Presently, we are in eight universities across the country.

We also train them to be coffee Baristas, and if they are interested, we encourage them to take part in the inter university coffee competitions. The champions progress to the national Baristas championships where we bring in a judge from the international coffee events.

The best out of that championship is sponsored to go for the Africa barista championships and after that they are taken to the world coffee event to compete in the global Barista

championships.

With this, some have made careers out of coffee, while others have established barista schools and connect their graduates to overseas employers. Lastly, we also work with women in coffee, which I represent, as their President.

Over the years, we have registered a number of successes such as sensitizing the medical professional about the advantages of coffee consumption. Initially, we had to fly in an expert from Israel, but now we have doctors on call who we go with to help sensitize on coffee consumption.

The other is the opening up of new markets, as we continue to observe standards. For ages, our coffee has been consumed in Europe and Sudan, but of late, new markets have cropped up. When the Sudan market was crippled by internal disorganisation, we recently saw another market open up in Algeria, and Russia is also interested in buying direct, which is a big achievement. We have also seen the Chinese market open up, which is one of the best things to happen to our coffee.

Coffee act

As a directorate we have noted with concern the misconception that enactment of the coffee law will gradually lead to reduction in the volumes produced and exported.

We should remember that when the coffee Act was coming up, there was a lot of stakeholder engagement and discussions. These engagements enriched the law, making it rich with an unbending mandate to regulate the sector for growth.

The act has given us the leeway to regulate right from nursery and this is how we shall maintain the quality of the coffee.

With the law, the planting material must now be traceable, approved by coffee research because now we have now established ecological zones.

To further enrich the law and make it functional, we are coming up with eh regulations, where stakeholders will be widely consulted again.

Currently, the regulations are in draft form, and soon will be brought before the stakeholders for their rich input and discussion.

The way forward now is for us to help and guide stakeholders to move from the export of green coffee to value added coffee, and already a few have started exporting value added coffee. The country is also in the process of establishing a soluble plant, and feasibility studies have been done.

Finally, we are also thinking of expanding our lab, because the place is small, and the government has given us money in the 2023 budget to expand the lad, since the crop is getting bigger. ■



However, for this coffee to access the markets such as China, Europe and North Africa, among others the regulator has been looking for. It must be certified. The certification process does not start with the actual coffee for export but from as far as access to foundation seed to the export stage.



James Rogers Kizito-Mayanja, Market Intelligence and Information Manager

Coffee certification: Why every stage of the crop must be certified

Five years ago, Uganda through the Uganda Coffee Development Authority launched a campaign of planting coffee, across the country. The aim was to increase volumes for export. Since then, there has been an increment to 8 million bags up from 3.4 million bags.

The increment has been recorded among the now 1.8, million coffee farming households, according to a recent survey by UCDA. It is not clear whether the above figure includes the emerging coffee-growing places that traditionally were not coffee growing areas such as Zombo, West Nile, Karamoja and Lango sub-regions among others.

However, whether recorded or not, all these coffees must be marketed for the benefit of farmers and the sector at large.

Consumption of Uganda coffee has also been on the rise both locally and globally.

However, for this coffee to access the markets such as China, Europe and North Africa, among others the regulator has been looking for. It

must be certified. The certification process does not start with the actual coffee for export but from as far as access to foundation seed to the export stage.

The importance of certification, according to the Market Intelligence and Information management manager, James Kizito-Mayanja, helps a farmer to access markets, allows for proper traceability in case of a need, also enables farmers to get higher premiums, depending on the type of coffee, location and those involved in the value chain among others.

Mayanja adds that certification of coffee today starts from the source of foundation seed or mother seed, that is developed by researchers such as the National Coffee Research Institute (NACORI) and then handed over to UCDA to be multiplied before giving it to UCDA certified

nursery operator, to the farmer, primary processor and traders before getting to exporters.

Because of certification, there has been a change in coffee farming practices such as the adoption of stumping, fertiliser use and better management of pests and disease, resulting in better yields.

Requirements for a nursery operator

For one to operate a nursery, they must have been certified and filed inspected by field staff from UCDA. And when he or she is handed the seedlings, she has to ensure that there is proper spacing including the labelling of the lines that have been planted.

The nursery operator must have shade where the coffee is taken before it is sold to farmers. When these comply with the set standards, they are issued with a certificate from UCDA, as certified coffee nursery operators, he added

At farm level

At farmer level, Mayanja said that previously, farmers were not registered, apart from those into voluntary schemes like Fairtrade, Rainforest Alliance or UTZ.

However, with the new law that provides for registration of all coffee farmers among other issues, all farmers will be registered over a period of four years. He adds that although some sections of the public have misinterpreted the registration process, claiming registration is for more taxation.

He goes on to explain that the benefits of registration are for easy management of pests and disease, easy access to markets, negotiating prices, access to cheaper services like continuous trainings based on the prevailing situation and any other support from the

regulator or any other agency in town.

Also, the farmers will be grouped into three categories, which include smallholder, medium and large-scale farmers, for the Authority to understand their unique challenges for appropriate intervention.

Traders

For traders or exporters to have coffee for export, they must have coffee buying stores, licensed by UCDA.

Previously, UCDA has been charging UGX 50,000 for those who own the buying stores but going forward under the new law, the plan is to increase the fee due to an increase in the stores, to help in regular monitoring.

Some of the areas considered by UCDA



Uganda coffee at display during an exhibition.

when certifying traders include hygiene, ventilation, the floor, integrity so that exporters do not mix coffee with other things as these could affect the density and aroma of the coffee.

For proper enforcement, Mayanja added that currently the fee is collected by local governments to enable them to monitor the crops.

Primary processing plants

For primary processing plants, Mayanja said that the machines are assessed to make sure that once they process coffee, there are no foreign materials left that might affect coffee on the market.

He adds that the machines are first inspected and examined by the Uganda National Bureau of Standards and technical team from UCDA before they are installed and positioned, field officers and engineers.

What is called the dry coffee processing method, where you get coffee with black husks process it especially dry staff hulling, among the specific machines there are about 700 companies into primary processing.

Exporters

Those into exports are also examined by UCDA and their machines inspected however the license fees too will be adjusted during the implementation of the new law, as a source of revenue collection.

Also, these must have grading machines to ensure that the coffee exported is high density, clean and of the right screen size which usually is 18%, added Mayanja.

The above are some of the few areas that UCDA ensures are certified to sell quality coffee that has been processed in the recommended ways to have a constant market. ■



Uganda is gifted with different coffee profiles each with unique attributes.

Uganda Coffee Profiles

Uganda coffee was profiled with the aim of differentiating Uganda coffees by origin Agro-ecological zone (AEZ) based on their unique locations and microclimates to foster the branding and marketing of Uganda coffee. Inferences were drawn from over 1,000 coffee samples randomly collected from the coffee-growing districts from the Crop Years 2014 to 2020.

Several attributes were established showing a significant mean intensity difference among the zones. Uganda coffee, therefore, provides a complex blend of different flavours, which together produce a range of sensory experiences:-

Generally, **Ugandan Robusta Coffee** is characterised by: Caramel, Spicy, and/or Herby Fragrance; A Caramel Aroma; Nutty, Tropical Fruit, and/or Spicy flavours; Bitter and/or Salt Tastes; Spicy and/or Dried Fruit Aftertaste, while **Ugandan Arabica Coffee** is characterised by: Dried Fruit, Spicy, Herby, and/or Citrus Fragrance; Dried fruit, chocolatey, and/or citrus Aroma; Dried fruit Flavours; Body and/or Acidity Tastes and Citrus Aftertaste.

Note:

1. The Arabica and Robusta cup profile evaluations are based on the Specialty Coffee Association and Fine Robusta protocols respectively.

2. The cup attributes refer to the flavour profile, i.e.: Coffee Characteristics that make up its flavours depending on several factors: the type and blend of coffee beans; geographical source; roasting method; and method of preparation.

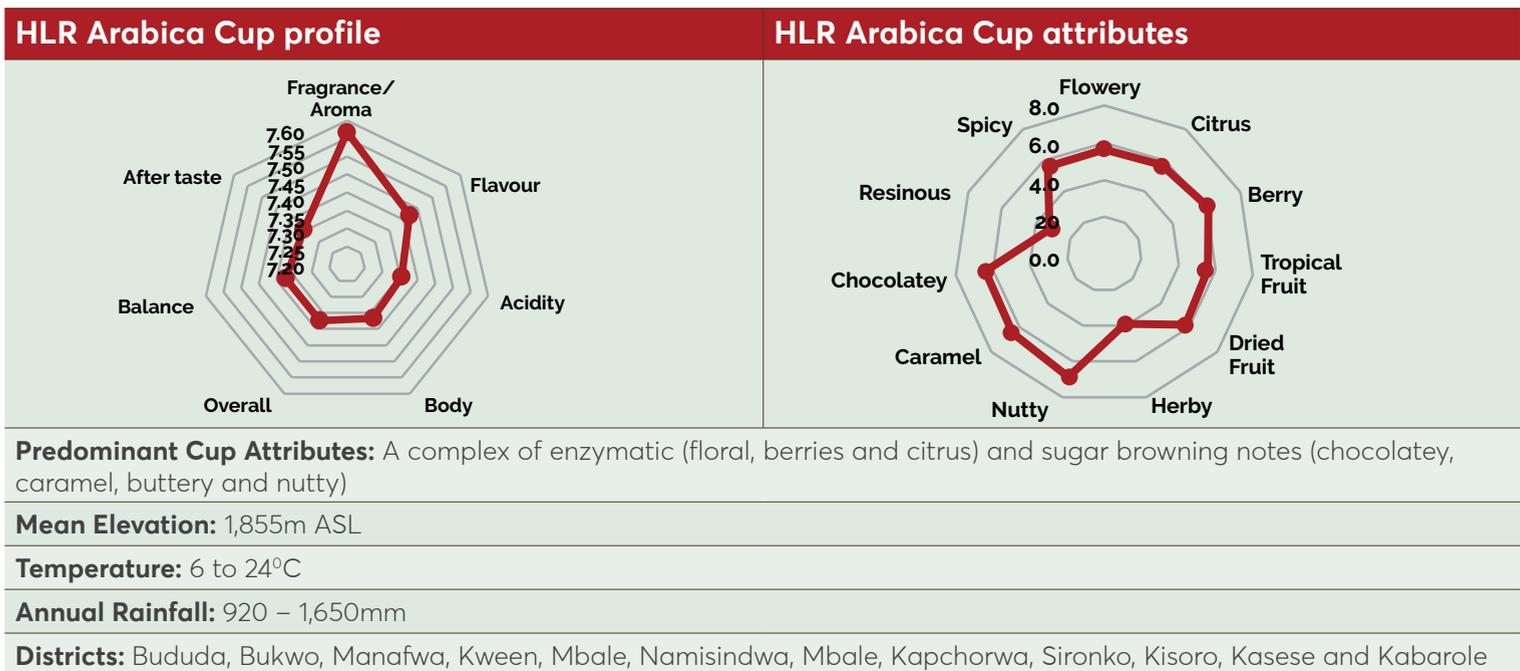
The distinct profiles and social-cultural factors associated with the different AEZ are presented below;-

1. Highland Ranges (HLR)

The Highland Ranges mainly grow Arabica coffee on the mountain sides of Mt. Elgon in Eastern Uganda, Mt. Rwenzori in the West and Mt. Muhabura in the South West (Kisoro). The majority of Arabica is grown on the slopes of the volcanic Mount Elgon, the largest free-standing volcano in the world.

Mt. Elgon's vast size and geographical isolation have driven the evolution of many endemic species found nowhere

else in the world. Also, it is riddled with fascinating caves. All these have shaped the behaviour of its inhabitants, animals and plants. Furthermore, the mountain is a critical regional water tower, feeding many rivers – including the Nile – on which millions of people depend. The combination of high elevation, ambient temperature and rich volcanic soils are ideal for the development of complex and delicate flavour nuances that characterise these coffees.

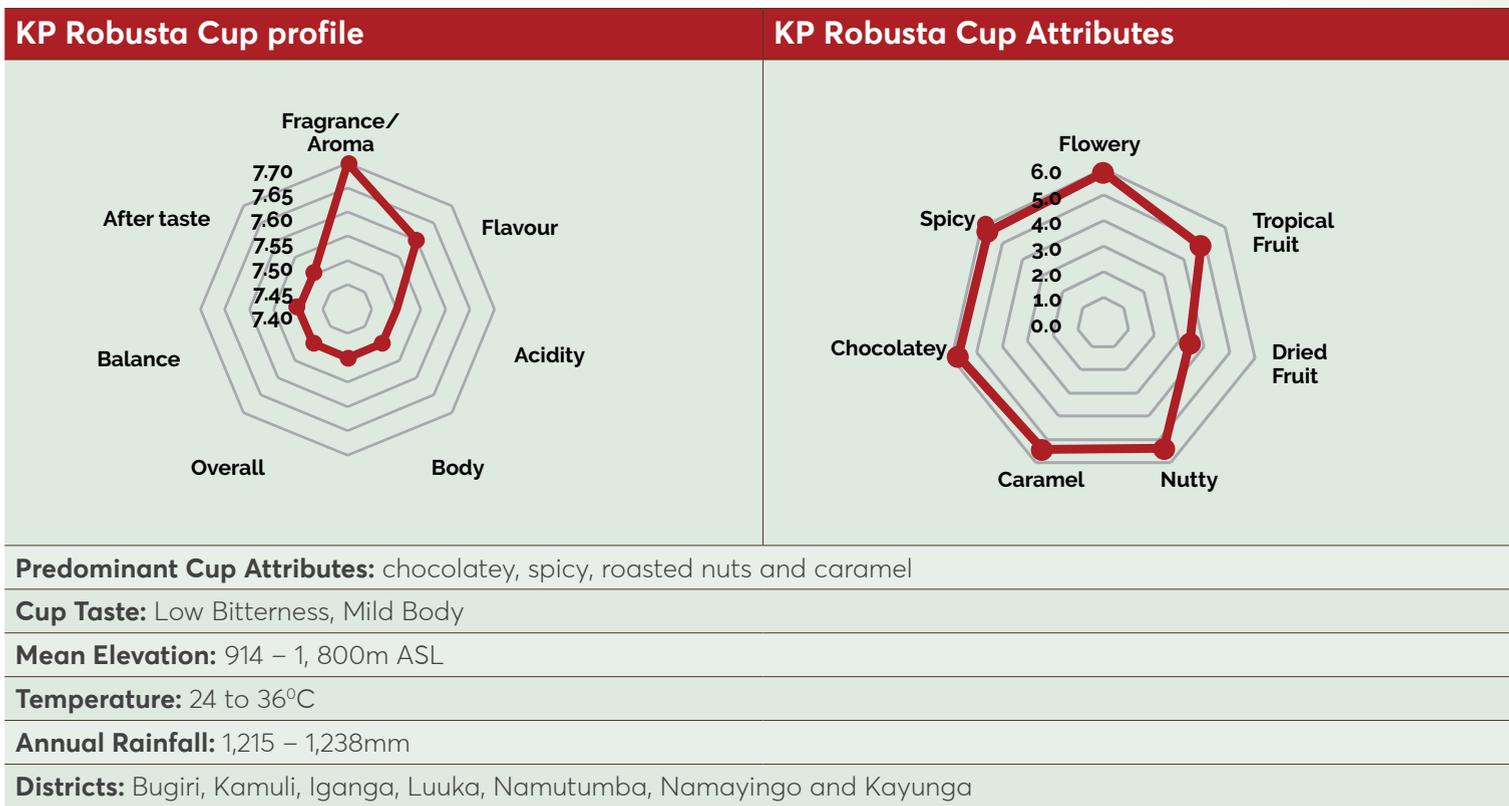


2. Kyoga Plains (KP)

The Kyoga Plains is an important focal area for Uganda given its importance in the Nile basin.

The area has important resources vital for Robusta coffee production such as fresh-water (Lake Kyoga), sufficient tree cover, moderate to high temperatures and fertile loamy-sandy soils.





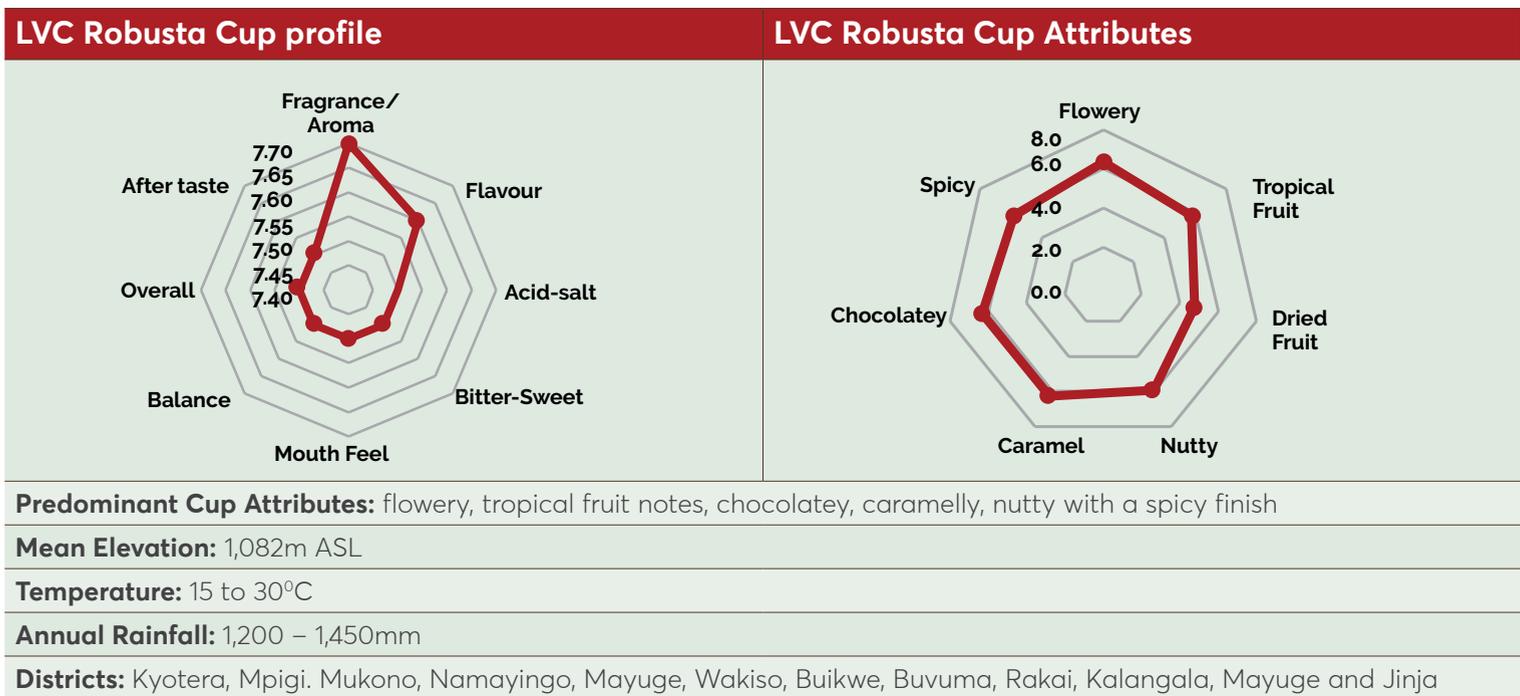
3. Lake Victoria Crescent (LVC)

The Lake Victoria Crescent is named after Lake Victoria, the world's largest tropical lake and the largest lake in the African Great Lakes region. Coffee-growing, specifically, Robusta is a way of life for many Lake Victoria Crescent

inhabitants. The ethnic communities living within the basin have a rich culture. The area has several cultural sites such as the Source of the River Nile and different Bantu Kingdoms and their cultural practices.

The coffees grown in this region benefit from semi-equatorial climatic conditions such as sufficient rainfall, rich loam soils, and abundant tree cover for shade with ambient humidity.

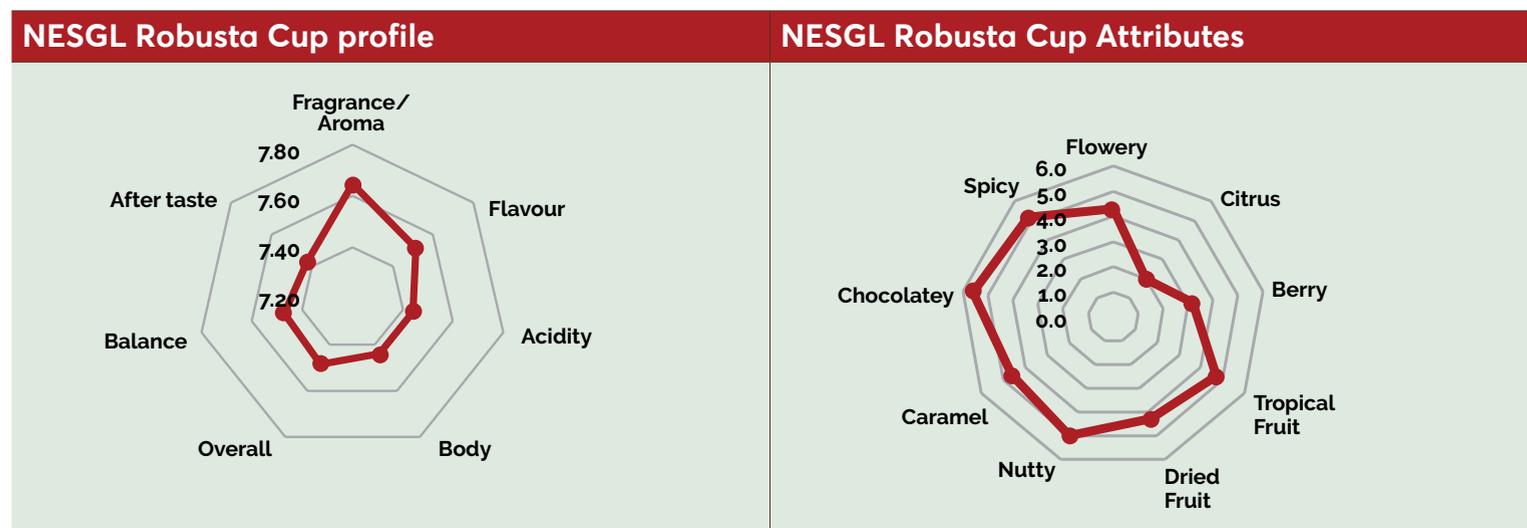




4. North Eastern Savannah Grasslands (NESGL)

The North Eastern Savannah Grasslands (NESGL) AEZ constitutes the Eastern Nilotic language speaking group; the Iteso and the Kakwa.

General vegetation of NESGL is flat terrain covered by thick savannah grassland.





| |
|--|
| Predominant Cup Attributes: intense fragrance, fruity, nutty, spicy, caramel, rich body and predominantly chocolatey finish |
| Mean Elevation: 1,082m ASL |
| Temperature: 15 to 33°C |
| Annual Rainfall: 1,197mm |
| Districts: Lira, Pader, Kitgum, Katakwi, Lamwo, Otuke and Agago |

5. North Western Savannah Grass Lands (NWSGL)

General vegetation: Savannah vegetation with open mixtures of trees and shrubs standing with tall grass.

In mid-northern Uganda, it's a flat

terrain covered by thick Savannah grassland.

The high elevation (Zombo hills) support Arabica coffee farming.

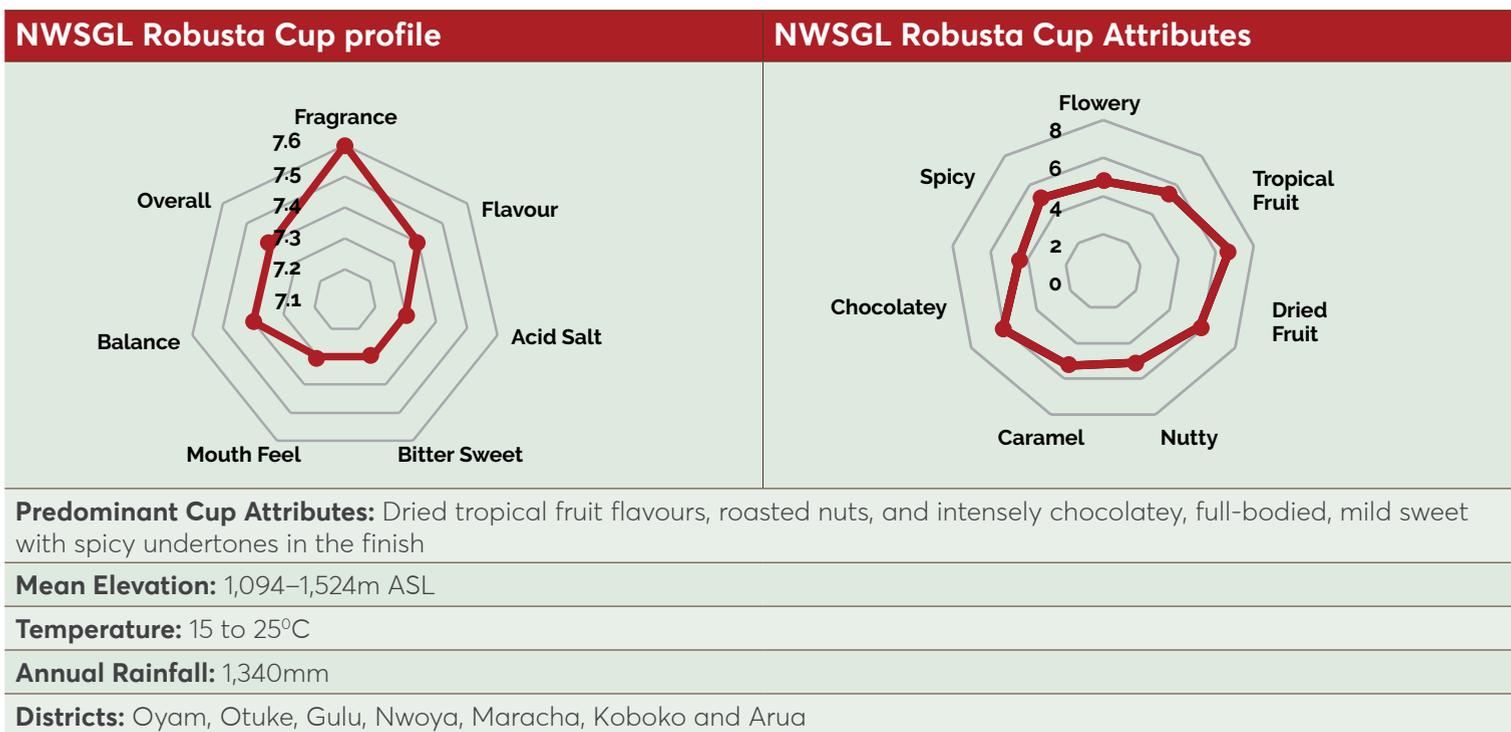
Bordered by the White Nile River, the region is awash with scenic landscape and friendly inhabitants.



| NWSGL Arabica Cup profile | NWSGL Arabica Cup Attributes |
|---|------------------------------|
| | |
| <p>Predominant Cup Attributes: Intense floral-fruity fragrances, caramel and chocolate, orange acidity, juicy body and distinct spicy finish</p> | |
| <p>Mean Elevation: 1,435m ASL</p> | |
| <p>Temperature: 15 to 25°C</p> | |
| <p>Annual Rainfall: 1,340mm</p> | |
| <p>Districts: Arua, Maracha, Zombo and Nebbi</p> | |

6. North Western Savannah Grass Lands (NWSGL)

North Western Savannah Grass Lands constitutes the West Nile sub-region. It received its name from being located on the western side of the Albert Nile. The sub-region is bordered by the Democratic Republic of the Congo to the South and the West; by the Republic of South Sudan to the North and by the Albert Nile to the East. NWSGL is predominated by the Lango and the Acholi people, who speak Nilotic languages.



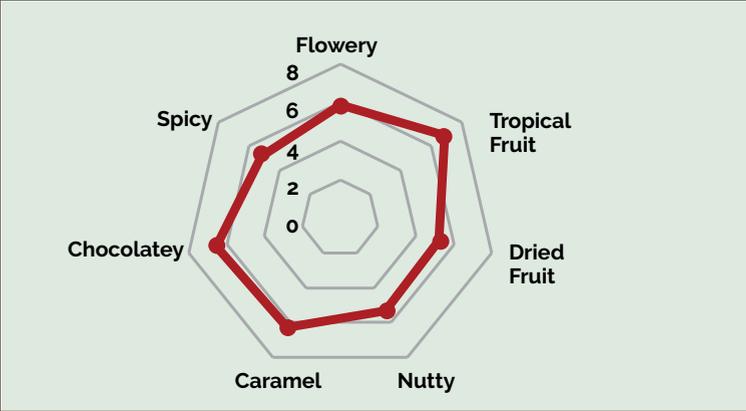
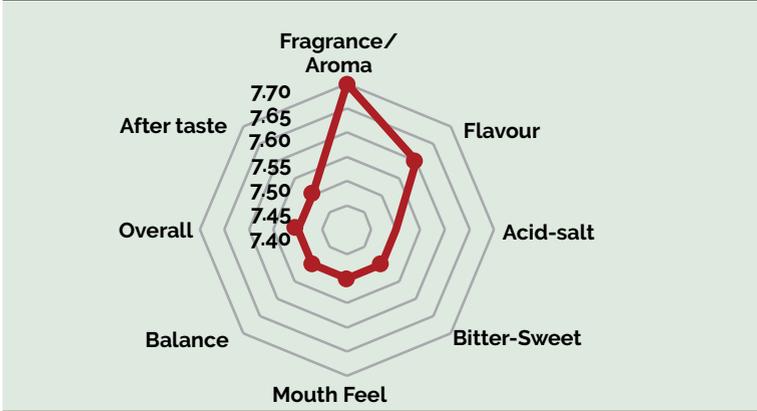
7. Pastoral Range Lands (PRL)

The robustas grown in this region benefit from inter-cropping (shade trees and weed control), sufficient rainfall, fertile loam soils, and ambient temperature. The region produces some of the most complex Robusta coffees. The Equator landmark is a popular tourist attraction.





PRL Robusta Cup profile | **PRL Robusta Cup Attributes (Flavour)**



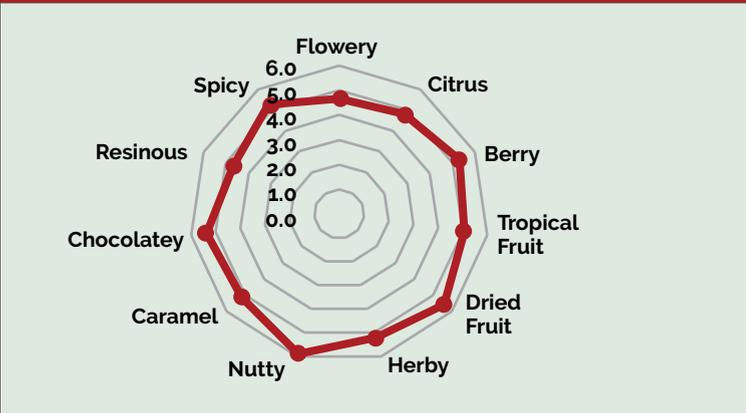
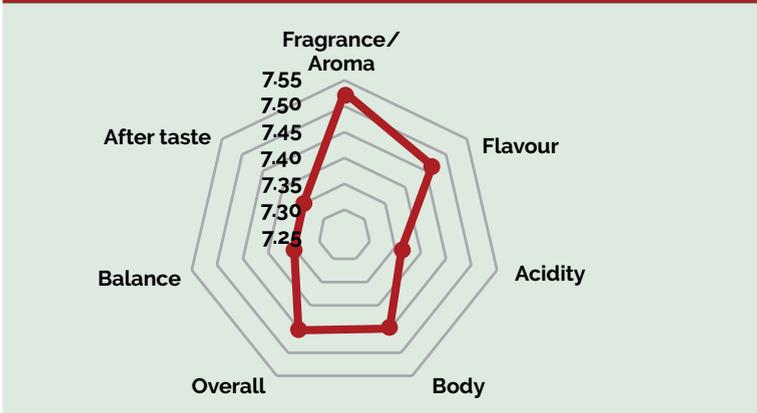
Predominant Cup Attributes: Stone fruit, mild floral, roasted cocoa, smooth-bodied, good salt-acid ratio, mild sweet finish
Mean Elevation: 1,545m ASL
Temperature: 15 to 30°C
Annual Rainfall: 1,200 – 1,450mm
Districts: Bukomansimbi, Butambala, Kalungu, Butambala, Gomba, Masaka, Sembabule, Lwengo, Lyantonde and Kyankwazi

8. South-Western Farm Lands (SWFL)

General vegetation: Forests, savanna mosaic and grass savanna. The landscape is characterised by undulating hills, cool temperatures, mixed farms and fertile valleys. This provides a conducive climate for Coffee farming.



SWFL Arabica Cup profile | **SWFL Arabica Cup attributes**



Predominant Cup Attributes: Coffee blossom, lemon zest, mild citrus, mellow body, with dried tropical fruit notes in the finish

Mean Elevation: 1,545m ASL

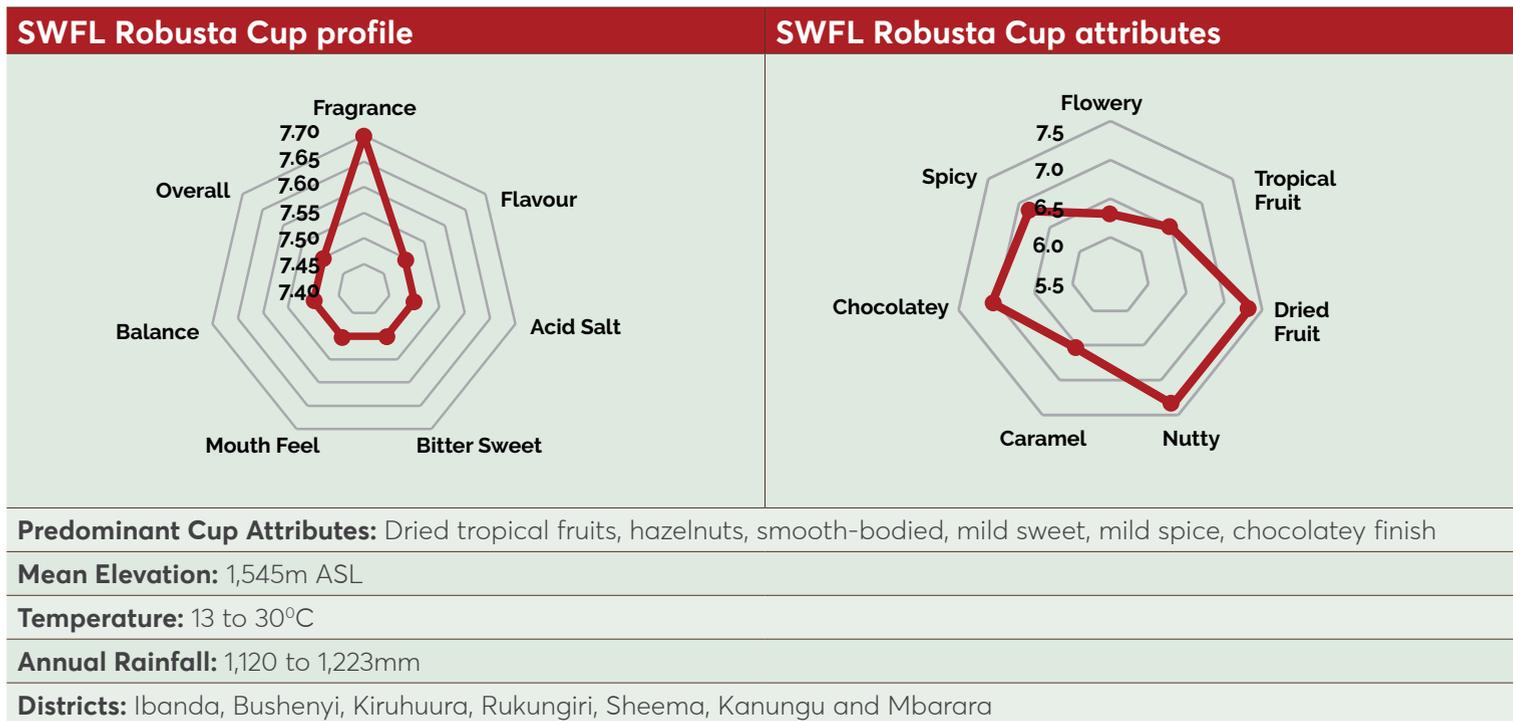
Temperature: 13 to 30°C

Annual Rainfall: 1,120 – 1,223mm

Districts: Ibanda, Kanungu, Rubirizi, Kitagwenda, Rukungiri, Mitooma and Kisoro

9. South-Western Farm Lands (SWFL)

The Robusta coffees grown in this region benefit from the same climatic conditions and agronomic practices as their Arabica counterparts listed above.

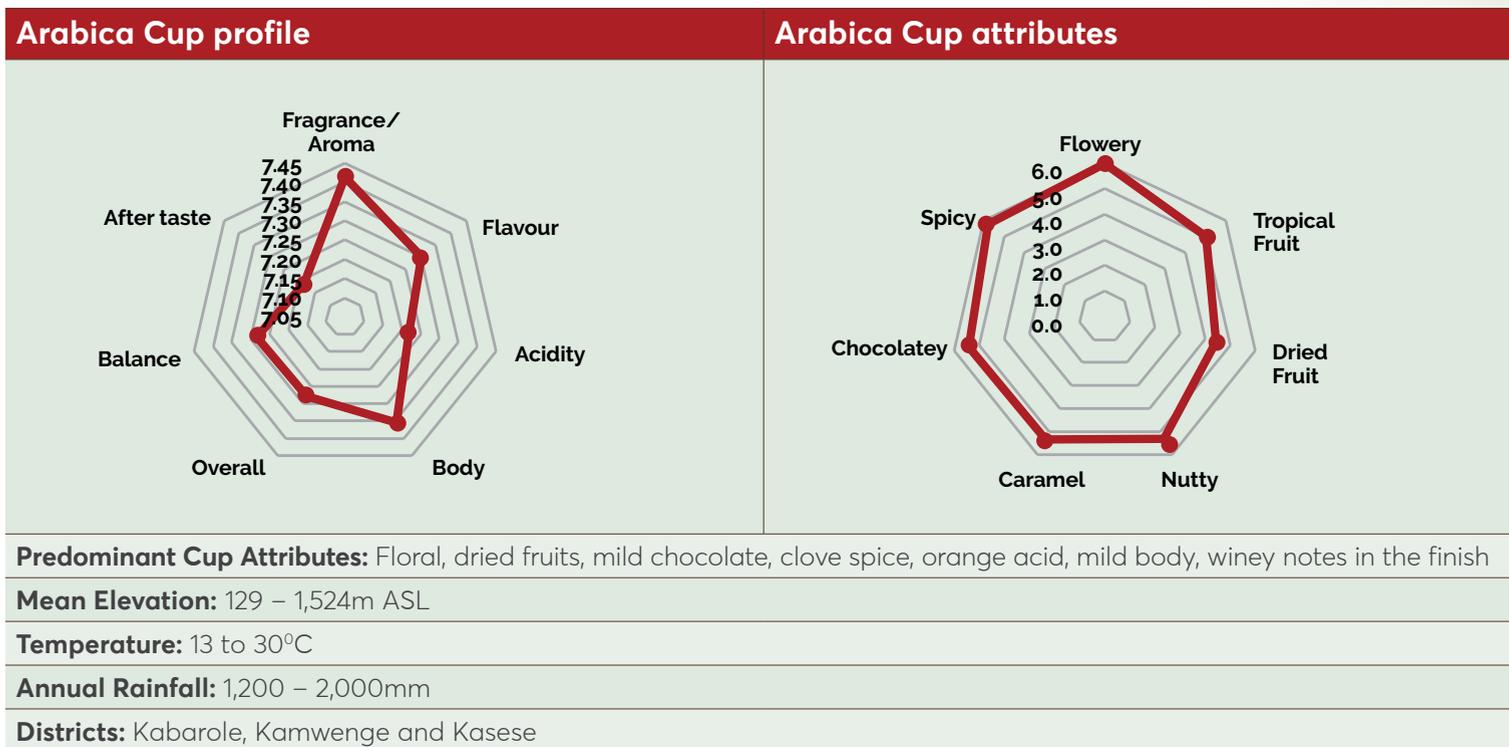


10. Western Savannah Grasslands (WSGL)

WESGL is part of the Albertine Rift which was formed as a result of a combination of the uplifted Pre-Cambrian rocks and volcanic activities. The large cracks in the rocks are filled with water that forms lakes, e.g. Lake Albert. There are a range of animals (mammals and reptiles)

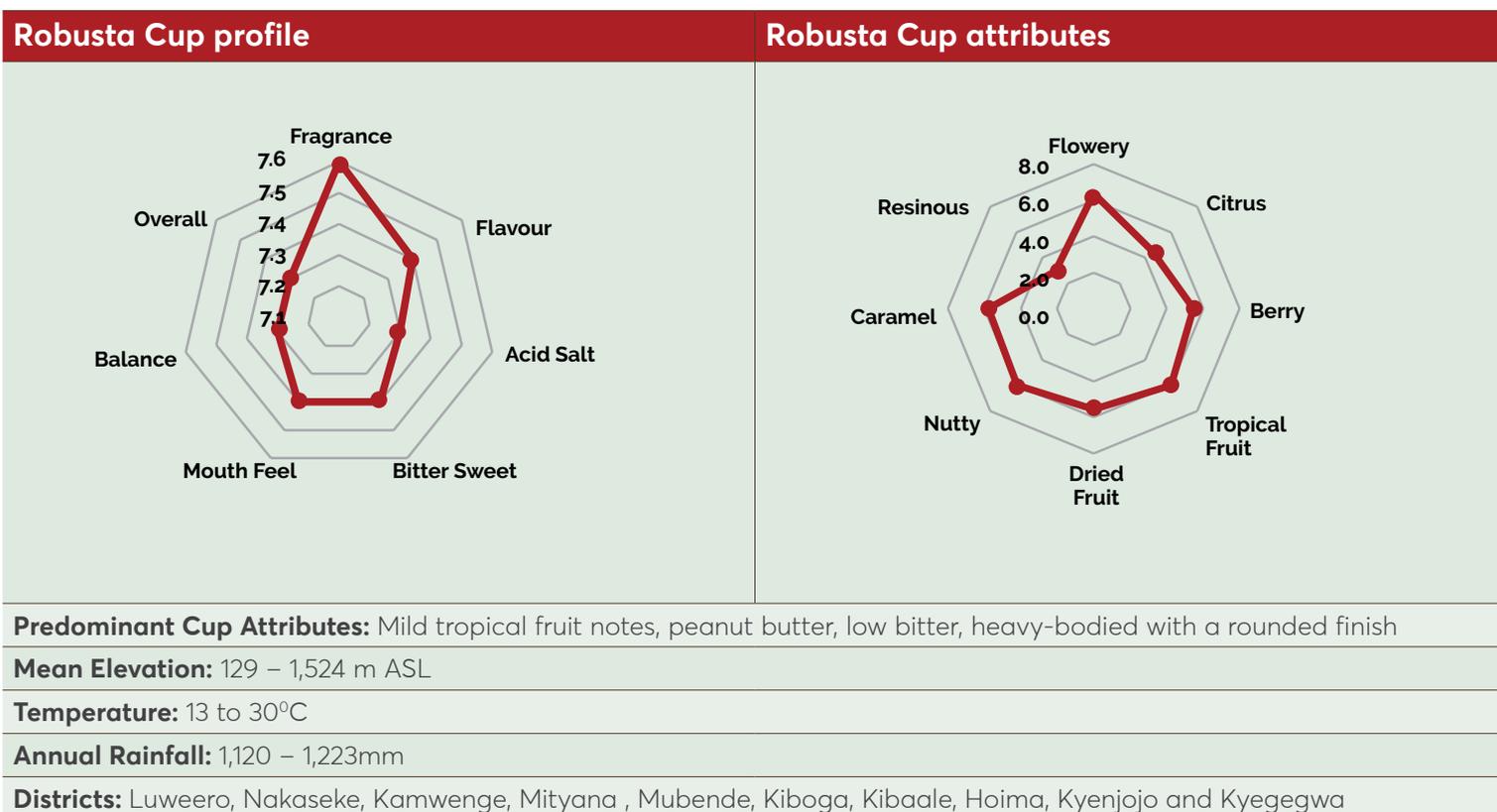
and about 1,200 plant species in this area, especially in the Bwindi forest. The vegetation is generally Natural equatorial forest vegetation and rich natural savannah grasslands. The Arabicas grown in this region are predominantly naturally processed.





11. Western Savannah Grasslands (WSGL)

The Robusta grown here benefits from inter-cropping and an abundance of shade trees. Typically the Robusta cup profile gets fruitier in the slightly more elevated districts of Kabarole and Hoima.



MARKUP Programme to give Ugandan coffee access to EU markets

EAC-AU sustainable project

The Market Access Upgrade Programme (MARKUP) for the East African Community (EAC) officially breathed life in December 2019, with funding from the European Union to increase access to markets of priority commodities.



Gordon Katwirenaho, the National Program Coordinator, EAC- AU funded market access upgrade program markup project.

The program was initially meant to run for three years to 2022 but has just been extended for one year due to the disruptions we suffered at the hands of the COVID-19 pandemic.

Commodities such as coffee and cocoa are the primary target of the programme because we want to increase their access to the regional markets, as well as the European markets.

In this, we want to see more Ugandan coffee

and cocoa entering the EU markets, because these pay a premium price if the product matches their particular standards and quality.

Under the national window, the EU has earmarked up to Euro3.8 million to undertake interventions relating to issues that will create an enabling environment for these products to enter their market.

The project is implemented by UCDA, under the guidance of the managing director as the project manager, who is assisted by the national program coordinator in running the project on a day-to-day basis.

As we strive to increase markets access, we have set four result areas, including the development of high yielding resistant varieties.

Currently, the average yield per coffee tree is about 0.5tons per hectare, and our objective is to have more than 1 ton per hectare over the medium to long-term.

At this time, we are supporting research to identify the varieties that have those better properties in terms of yielding and disease resistance, and have so far identified 22 promising Arabica varieties, based on which we are doing further research to select the best.

We also have 10 promising cocoa clones on which we are researching to see that we get the best as well. For this research, we have earmarked Euro 100,000, in conjunction with the national coffee research institute.

According to design, the project is to be delivered in 2 modalities, including the program estimate and matching grants, with the main result under the program estimate being research activities.

Result two simply looks at interventions to reduce harvest, post-harvest and production losses, through partnerships with the private sector. Already, we have called for proposals on the interventions, where the leading proposals will be supported by a matching grant.

The third result area is also premised on interventions aimed at helping the private sector players to access premium and niche markets, with high-class incentives.

This means that we are supporting these private sectors to undertake interventions that will help them access premium markets that offer better returns for their produce.

Remember, out of the total project value, we have earmarked Euro 3.6 million for result areas 2 and 3, and the money is already available for the private sector to access.

These proposals are related to certification and improving traceability, equipment upgrade for optimizing production, harvest related activities, bulking, drying and storage facilities. So far, we have received 36 applications, and when we did the first evaluation, we were able to come up with 16 who were requested to submit full proposals and from those, we came up with six best evaluated.

All six have signed contracts with us, and implementation, across the value chain, has started for some. For instance, one of the beneficiaries has been given a grant and is implementing sustainability-related activities across

the value chain in Bundibugyo district.

The fourth result area under the program estimate is capacity building, where we develop capacity, especially for cocoa, because we did not have a regulatory framework for this sub sector.

We were able to undertake a consultative process that informed the formation of the regulatory impact assessment, and so far, we have the regulatory impact assessment for the cocoa sub sector, approved by the ministry of agriculture.

The regulatory impact assessment is the first step to having any law formed and that is why we have to first do that.

On the capacity side, we have been able to undertake the consultative process to develop standards, and we have so far developed four, and we have also been able to build capacity for both public and private players in trade analysis and market surveillance for both cocoa and coffee value chains.

Additionally, we have built the capacity of the key players like the ministry of agriculture, Uganda coffee federation, UCDA, NUCAFE, Uganda coffee farmers alliance, exports promotion board and other players and train them in terms of pricing, marketing and making decisions related to buying and selling of coffee.

We have also built capacity among the public sectors in project cycle



Muyama Emmily from Mount Elgon Coffee and Honey Cooperative shows some of their products.

management because we believe that we need to build capacity among the public sectors so that they can raise fundable concepts, as we address the funding challenge, which is one of the biggest.

Furthermore, we have supported UCDA labs to upgrade and meet the ISO standard 17025:2017 version, and we are trying to have those UCDA labs upgrade and meet the ISO 17065 which is an international credited quality management system that will demonstrate the competence of our staff in the lab.

So far, we have reached the first stage of accreditation, where UNBS assessed us and we are waiting for the final report to get the certification.

Under capacity building, we have also been able to train our staff in packaging, soluble plant production,



EU –EAC MARKUP Project Coordinator, Gordon Katwirenabo (Centre), and the Chairman Uganda Cocoa Development Association, Emmanuel Maniraguha, (right) tours a cocoa farm during consultations on the cocoa standards in Bundibugyo.

quality assessment of cocoa and coffee, and we looking at establishing a cocoa and coffee directory. This will improve the information flow in the value chain.

For sustainability, we are setting up standards and supporting traders' farmer groups through the provision of information, such as the yield derived from good quality coffee. ■



Coffee Processors & Exporters

Zinunula Coffee Limited was established in the 70s by Dr Samuel and Mrs Margaret Kizito Mubiru. It started humbly by buying coffee from farmers, processing it and selling it to the Coffee Marketing Board before it started grading and exporting in the 90s.

Zinunula Coffee Limited provides quality, affordable and hygienic storage services, and ensures maximum benefit for coffee producers while contributing to the growing prestigious position of Uganda's coffee on the international market.

We wish the Uganda Coffee Development Authority management and staff a Happy 30 years

Plot 6, 3rd Street, Industrial Area
P. O. Box 689, kampala - Uganda
Tel: +256 777 523 095 | +256 753 264 082
Email: zinunulacoffeeltd@gmail.com



5

COFFEE VALUE CHAIN PLAYERS

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR



National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE)

Helping rural coffee farmers profit from the value chain for socio-economic transformation

Born in 2003, the Uganda National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE) is an umbrella organisation of coffee farmers, cutting across 23 districts, existing purely to promote coffee production, quality and export.

The organisation, over the years, has endeavoured to see that farmers and their communities get a fair deal from the coffee industry, by organising and empowering, especially smallholder

farmers, to assume more roles and functions within the coffee value chain.

Significant achievements have been recorded over time, particularly the

export of exceptionally high-quality coffee to high-end market off-takers, and pushing smallholder farmers into profitable nodes of the coffee value chain.

Coffee farming households have also increased to more than 1.7 million in 2020, with the organisation's membership shooting to approximately 180,000 by the end of 2020.

Further still, it has advocated for improved gender relations among coffee farming households and this has greatly impacted on increased production quantities and quality coffee produced.

In this, according to the executive director, Joseph Nkandu, NUCAFE aims to see Coffee farmers profitably own their coffee along the coffee value chain for sustainable livelihoods, consumer satisfaction and societal transformation.

The progressive implementation of the Farmer Ownership Model has been another achievement of the organisation.

NUCAFE uses the farmer ownership model, based on the farmer group-association framework to support coffee farmers to organise themselves to assume as many roles as possible in the coffee value chain.

Farmers are at the epicentre of NUCAFE's activities, and as such, particular attention has been placed on mindset change to orient farmers



Joseph Nkandu, Executive Director NUCAFE



NUCAFE uses the farmer ownership model, based on the farmer group-association framework to support coffee farmers to organise themselves to assume as many roles as possible in the coffee value chain.

into aggressive, business-oriented individuals.

While technical advisory and training services continue to be provided, emphasis is also being placed on

how to improve farmers' incomes and enhance their livelihoods.

It should be remembered that one of the key priority areas is the enhancement of the capacity to generate earned income from the enhanced business activities of the organisation.

A digital farmer profiling initiative, which enables coffee to be traced back to its roots, was rolled out, and already, it is paying off for smallholder farmers.

Coffee produced under the scheme is fetching far higher prices, revealing the strong potential of geo-referencing as a marketing tool to guarantee authenticity and origin.

With support from Centre for Agricultural and Rural Cooperation (CTA), NUCAFE has since generated farmer profiles and maps of coffee farms as part of a targeted marketing strategy. This has seen an increase in coffee bulking and marketing at the association level.

To this end, NUCAFE has established a market-driven system of coffee farmer enterprises and organisations which are empowered to increase their household incomes through enhanced entrepreneurship and innovation. ■



Bumper harvest: Nkandu shows how they have supported farmers to increase coffee productivity .



Drying coffee on raised platforms to maintain quality.

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ORGANIC FERTILIZER



- **FERTIPLUS ORGANIC LTD** is promoting increased crop production in Uganda, through the supply and distribution of organic fertilizers. Fertiplus organic fertiliser has both macro and micronutrients. Each of the 17 elements present in Fertiplus has a specific use on the plant.
- Most of the soils in Uganda have been depleted of nutrients due to over-use and climate change.
- Information and reports from the field regarding the performance of Fertiplus indicate a very high yield achieved on all crops (refer to UCDA, CDO, Uganda Prisons, Maize, vegetables & Banana farmers etc).
- There is less use of pesticides and fungicides due to the presence of Humic or fluvic acid in Fertiplus, among other benefits.
- Our commitment to being the most suited supplier of organic agro-inputs in Uganda is hereby affirmed.
- We, therefore, encourage all farmers to use Fertiplus Organic Fertiliser to get high-quality products as well as protect soils.



Fertiplus Organic Fertilizer doing wonders in cotton fields



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NARO Introduces anti-aging products from Uganda's coffee

According to the Uganda Coffee Development Authority (UCDA) report of July-September 2020, Uganda coffee was ranked third best in the world, behind Ethiopia and Kenya. The survey was done by the Professional Coffee Tasters and certified by the Coffee Quality Institute, a non-profit making organisation that works internationally to improve the quality of coffee.

Uganda also features in the top 16 coffee-growing countries of the world, where tasters graded 1,229 coffees that were harvested from 2010 to 2018.

On a grading scale of 100, Uganda got 84.05, after Kenya's 84.31 and Ethiopia's 88.88.

This is not the only milestone that coffee brings to Uganda. The National Coffee Research Institute (NaCORI), in collaboration with the Uganda Industrial

Value-Addition: Coffee and Cocoa by-products



Coffee Lotion

- Delayed skin aging
- Cellulite removal
- Vitamin B3
- Moisture retention
- Calming effect
- Erythema management
- Inflammation management
- Sun screen

Cocoa Butter Lotion

- Vitamins E & K
- Moisture retention
- Calming effect
- Eczema management
- Inflammation management



Coffee Cream



- Skin repair
- Management of skin infections
- Acne treatment
- Dark spot removal
- Erythema management

Coffee Face & Body Scrub

- Skin rejuvenation
- Acne treatment
- Calming effect
- Skin radiance
- Delayed skin aging



Coffee Oil



- Delayed skin aging
- Skin brightening
- Skin repair
- Firm skin
- Erythema management

Research Institute, has made coffee anti-ageing lotions and creams.

Evans Atwijukire, a researcher/biochemist with NaCORI, says the cosmetics have health benefits, such as keeping the skin healthy and looking younger, wound healing and prevention of sunburns.

"Coffee cosmetics are the most expensive on the market, costing up to Ugx 300,000 and above, yet its manufacturers simply add little coffee that they buy from us at a very low price and sell it back to us expensively. We are, therefore, optimistic that with this, we shall meet the government's import substitution mission, as well as providing quality products to the citizens at fairly low prices," he says.

About the research

According to research, the caffeine in coffee is high in antioxidants and when applied topically, the antioxidants in it attack free radicals in your skin from UV rays and pollution, providing temporary protection from premature ageing. Free radicals are one of the main causes of fine lines, wrinkles and loss of skin elasticity.

A 2020 study in Brazil, released online on March 5, 2021, showed how coffee by-products have several biological activities, such as antioxidant, anti-inflammatory, antimicrobial, anti-ageing, anti-cancer, anti-cellulite and sunscreen.

An article from Healthcare, an online health publication, says direct skin benefits from coffee can be primarily obtained topically. They involve making a mask, scrub or paste from fresh coffee grounds and applying them to your skin directly.

The benefits include reducing the appearance of cellulite on the skin, anti-ageing benefits, Vitamin B-3 for



Evans Atwijukire, a researcher/ biochemist with NaCORI



Coffee cosmetics are the most expensive on the market, costing up to Ugx 300,000 and above, yet its manufacturers simply add little coffee that they buy from us at a very low price and sell it back to us expensively.

skin cancer, reduced inflammation, acne treatment and sunburn care.

Atwijukire said Arabica coffee seed oil is extracted by cold-pressing green coffee beans. Its high concentration of essential fatty acids, sterols and vitamin E make it a potent antioxidant that can offer protection against skin damage, such as sunburn cell formation and DNA degradation.

When Brazilian scientists tested Arabica coffee seed oil on human skin, they found a 1.5-fold increase in elastin production and a nearly 2-fold increase in collagen production compared to the controls. These two proteins are essential for smoothing wrinkles and preserving the firmness and flexibility of facial skin.

In a clinical study of 40 female participants, it was found that applying Arabica coffee paste twice daily as a facial wash and once per day as a lotion and night cream for 12 weeks achieved a significant improvement in skin texture.

Robusta coffee contains a greater quantity of caffeine and active constituents than Arabica coffee due to its processing method.

These compounds possess strong antioxidant properties that minimise the adverse effects of cumulative UV exposure. A study by Japanese researchers confirmed that Robusta caffeine can protect against photoaging, while Arabica coffee seed oil significantly improves collagen and elastin production. Robusta coffee has a high concentration of chlorogenic acid.

Atwijukire says Ugandans are not earning as much as other countries from their quality coffee because they do not have the culture of drinking coffee as the Ethiopians do.

"While there is a need to change the belief instilled in Ugandans that coffee is a cash crop that they cannot consume but rather sell for money, we have to diversify its uses to improve local consumption," he said.

To promote domestic coffee consumption, the government, through the agriculture ministry, tasked NARO, through NaCORI, with coming up with products that can promote domestic coffee consumption.

"We are already fast-tracking three candidate varieties that have proved to perform well as lotions and creams.

We are waiting for the Uganda National Bureau of Standards to approve their use," he adds.



Olam Coffee

Olam Coffee in Uganda

Uganda has always been famous for its Robusta Coffee. But times are changing, and Arabica coffee production is now also booming.

Olam's commitment to the sector begins with working with over 10,000 coffee farmers in our procurement networks, supporting them under sustainability programmes such as Rainforest Alliance and UTZ certifications to improve crop quality and yields, and therefore incomes for these farmers and their communities.

The vast spread and depth of our Ugandan operations means that we maintain strong control over the flow and quality of the coffee we procure from farming communities.

Our work with expert partners such as the International Institute of Tropical Agriculture (IITA) and the MasterCard Foundation on these sustainability programmes aids the development of smallholder communities, primarily through Olam's sustainable sourcing platform **AtSource**.

Atsource is the most comprehensive sustainable sourcing solution for agricultural raw materials and food ingredients. In a world where there is a growing demand for safe and sustainable options for both people and the planet, **Atsource** is bringing both data and action to re-imagine supply chains. Our experienced extensive on-the-ground team works with farming communities and our customers, to improve social and environmental footprint for every step of the product's journey.

In addition to sourcing from farmers, we have invested extensively in our coffee washing station. Sitting at 1,250 metres above sea level, Olam's new coffee washing station in the higher slopes of Mt. Elgon means more than 800 farmers can bring their hand-picked cherries to the station where they are washed and mechanically dried. Our Mt. Elgon facility includes the latest cleaning, pulping, drying enhancing our capability to process large lots, quality uniformity giving consistency. This is one of the ways Olam Uganda is creating manufacturing capital within the sector to support smallholder coffee growers and help the sector grow.



International Institute of Tropical Agriculture in the coffee sub sector in Uganda

The International Institute of Tropical Agriculture (IITA) works closely with the Government of Uganda (GoU) and the private sector partners. The climate-smart agriculture (CSA) research in coffee is aligned to the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) Extension Policy, the National Agricultural Research Organisation Research (NARO) Agenda, and the Uganda Coffee Development Authority (UCDA) Coffee Strategy and sector plans.

IITA's CSA portfolio focuses on action research, allowing scientists and researchers to work directly with private-sector impact partners and government extension workers for greater reach and impact.

Innovative CSA Technologies achieve increased smallholder farmer adoption of CSA, leading to increased coffee production and quality improvement.

Along with private sector impact partners such as Olam Uganda, Hanns R. Neumann Stiftung, Great Lakes Coffee, Kawacom, and more recently Touton, IITA research areas include land-use mapping, pest and disease control, farmer segmentation, site-specific climate-smart investment

pathways to increase smallholder coffee farmer adoption of good agricultural and CSA practices (Stepwise).

Living Income is the latest focus for our research engagements with GIZ and Olam in Mount Elgon and Touton in the Rwenzori coffee-growing regions. IITA has published almost 30 scientific articles on coffee.

IITA aims to contribute to the GoU target to increase coffee production from 4.6 million bags a year to 20 million bags a year by 2030. With USAID support, IITA and NARO are scaling proven technologies in coffee, maize, and beans across 26 districts in Uganda. Coffee specific technologies include the following:

The Stepwise approach

Described by sector actors as a novel approach to increasing investment in coffee farming, Stepwise is helping smallholder coffee farmers incrementally increase yields and income through a practical process towards applying good agricultural and CSA practices in the management of coffee. Results from testing done in 2018-2019 with private sector impact partners, Olam, in Mount Elgon, and Hans R. Neuman Stiftung Foundation in central Uganda demonstrate more than 70% increased coffee yields for some participating farmers, and almost 60% adoption of good agricultural practices among participating farmers in Mount Elgon and Luweero respectively.

The Stepwise methodology is a recommended approach in Uganda, meeting its Coffee Roadmap target of 20 million bags by 2030.

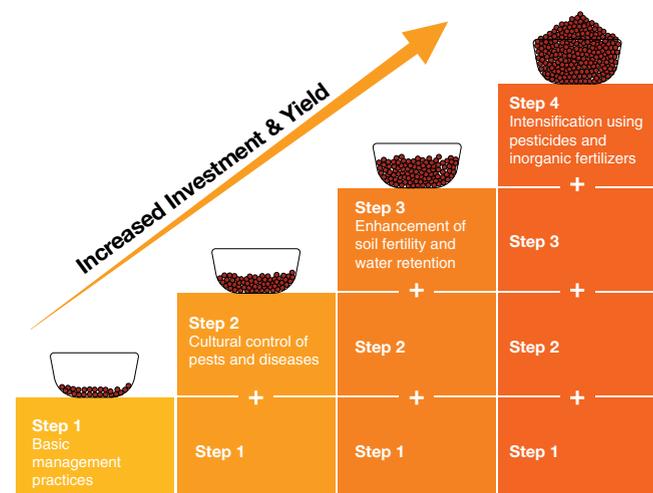


Figure 1: Stepwise figure showing phased implementation of practices

The Stepwise Smartphone Application

An ICT decision support tool, freely accessible on Google Play Store for Android phones, supports the roll-out of the Stepwise approach. The application provides users with a visible walkthrough of the Stepwise approach. It offers a push/pull data system that is accessible both on and offline. The Stepwise Smartphone Application gives the user easy access to best practice information pre-loaded with locally specific content. New farmers can be quickly registered in the app. The architecture allows for fast data transfers and maximizes real-time data synchronization between web and mobile devices. The simplicity of the architecture provides for cost-effective adaptation and scalability.

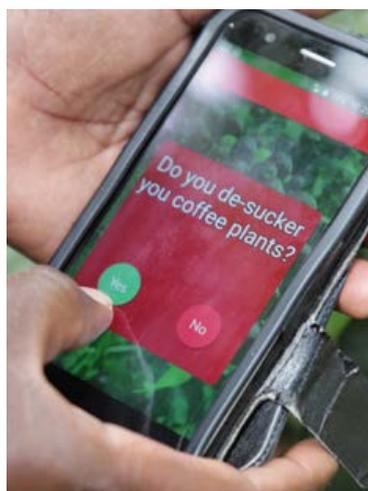
Co-created with Mango Tree in Uganda, the Stepwise Smartphone Application achieved global recognition at the International Green Week in Germany. It was showcased as one of GIZ's successful digital solutions in Berlin in 2019.



An extension agent showing a farmer how to use the Stepwise Application.



01 Drop down menus allow users to choose different recommended practices for that site.



02 "Yes" or "No" options offer a process of inquiry of which practices are being applied.



03 Pre-loaded written and visual descriptions of practices guidance is given.

Figure 2: Stepwise Smartphone Application Steps

The Shade Tree Advice Smartphone Application

Due to be officially launched in 2021, the Shade Tree Advice Smartphone Application provides advice for coffee farmers on the most appropriate shade tree species to plant with coffee depending on the farmers' specific needs.

Key sector stakeholders, including NARO, World Agroforestry Centre – a fellow CGIAR centre specializing in agroforestry science – and private sector partners participated in the identification and validation of technical content.

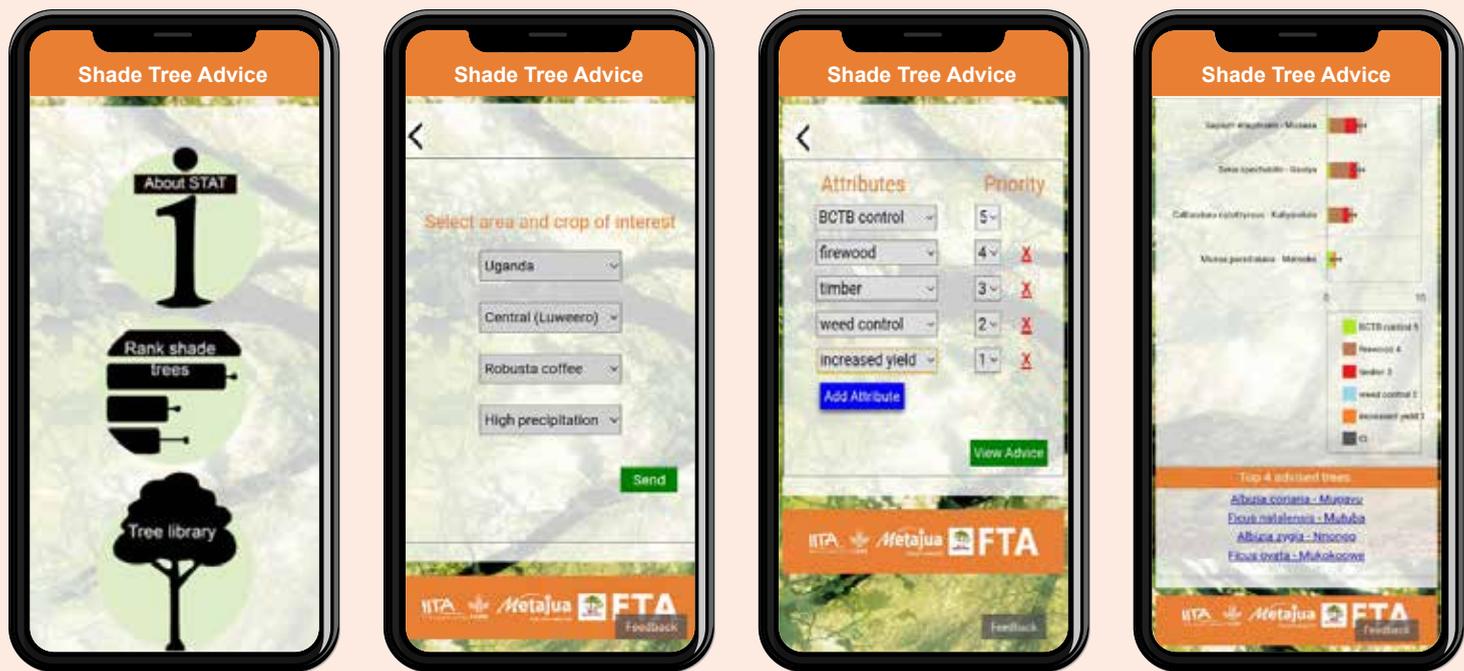


Figure 3: Screenshots of the Shade Tree Advice Smartphone application

Living Income

Continuing a long relationship with Olam in Stepwise research in Mount Elgon, IITA and Olam are engaged in a new partnership with the GIZ Employment and Skills for Development in Africa (E4D) programme. Supported by the Deutsche Gesellschaft für

Internationale Zusammenarbeit (GIZ) GmbH, the partnership will co-design a suite of scientifically tested living income strategies tailored to the diverse needs of coffee farmers. The project, which started in February 2021, aims to improve



A beneficiary coffee farmer in Mt. Elgon region in Eastern Uganda

5,000 farmers' livelihood by enabling them to optimize their investment in coffee, earn more from other on-farm activities, and thus reduce the household living income gap by 20 per cent in the coming 2.5 years.

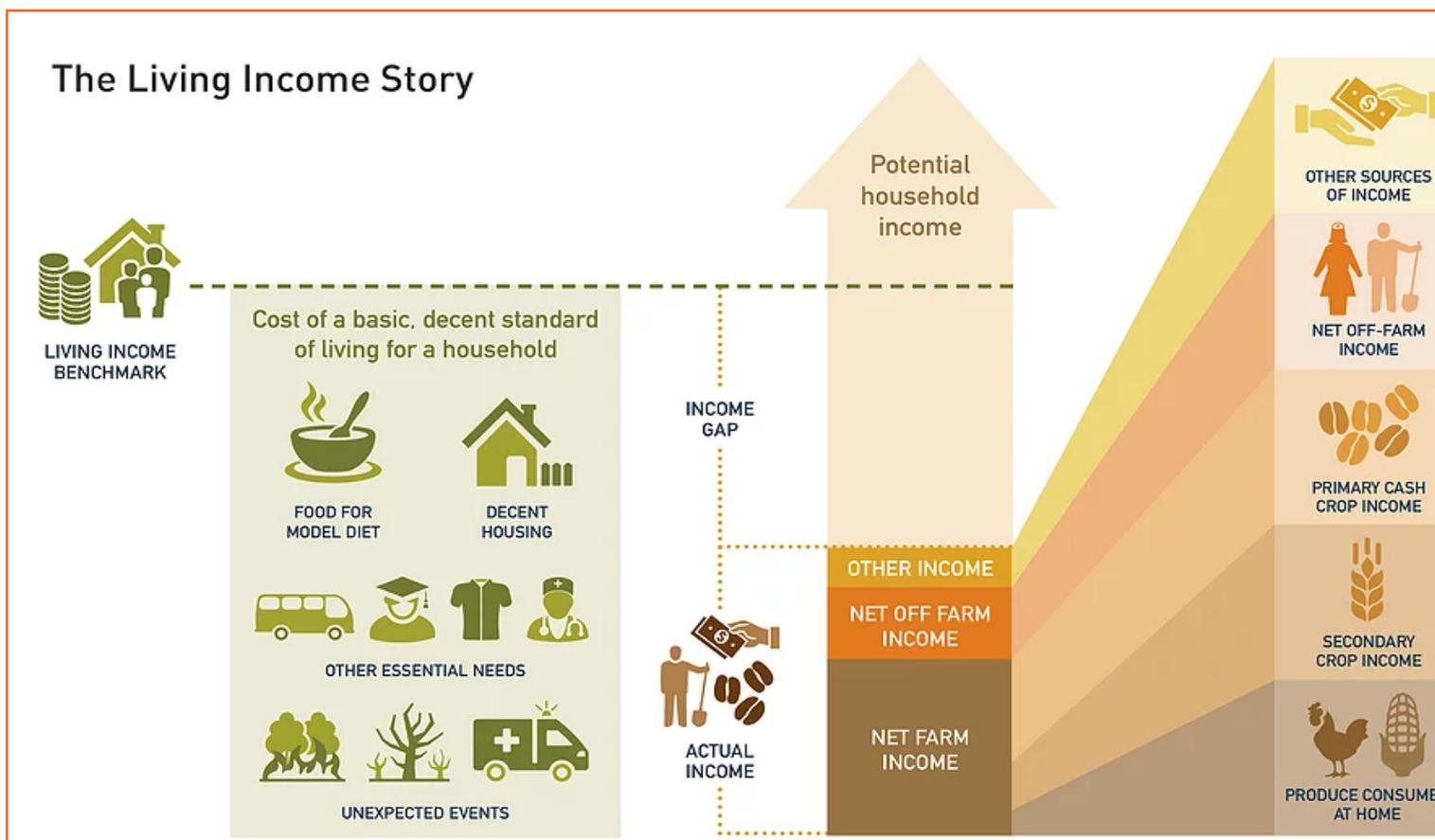
IITA and Olam are working with the Living Income Community of Practice (LI COP) – a group of partners working towards a thriving, economically stable rural community linked to global agricultural supply chains. A living income is a focus on a decent standard of living for a smallholder farming household, including sufficient food, decent housing, clothing, education, medical, transport, and money to cover unexpected events in life.

In the Rwenzori Arabica coffee-growing region, IITA has partnered with the Sustainable Food Lab, USAID, and Touton to identify and design diversification strategies to improve coffee farmers' economic and climate resilience. Since

November 2020, IITA researchers and Touton extension staff have engaged closely with the farming communities in the different altitudes of the mountainous Rwenzori region. Data collected by the research team will help distinguish a set of actionable on-farm income diversification strategies based on the unique profiles of different farmer segments.

As a result of the collaborative nature of the IITA research program on coffee, we hope to see transformative good agricultural and climate-smart agriculture practices consistently adopted by more and more smallholder coffee farmers across the country.

Through active engagement in CGIAR and other global consortia such as the LI COP, IITA will continue to exchange learning, identify synergies and opportunities for joint resourcing of new initiatives and research in support of government and private sector partners in climate-smart agriculture.



Source: Living Income Community of Practice

The following development partners support IITA coffee research:





Ankole Coffee Producers Cooperative Union (ACPCU) coffee grading factory in Bushenyi District built with support from aBi

Impact of aBi's Interventions on the coffee sub sector

Introduction

The Agricultural Business Initiative (aBi) Group is a social enterprise with the overall vision to contribute to 'a competitive and sustainable agriculture and agribusiness sector in support of equitable wealth creation in Uganda'. It was founded by the governments of Denmark and Uganda in 2010. The aBi Group consists of two companies Limited by Guarantee, aBi Development and aBi Finance Ltd.

The focus of aBi Development is to increase agricultural production and value addition by extending matching grants and business development services (BDS) to agribusinesses, farmer organisations and intermediaries. The grants and BDS enhance planning and management, production and business infrastructure, and upstream and downstream market linkages of producers and agribusinesses.

On the other hand, aBi Finance Ltd expands access to business finance for agricultural producers and agribusinesses by offering Financial Institutions (FIs) financial incentives and infrastructure that make lending to the agricultural sector more attractive and less risky. The Financial Services Development programme provides matching grants to FIs to build institutional capacity for enhancing the provision of financial services and increase outreach in rural areas.

aBi

aBi, UMOJA House, 2nd Floor | Plot 20, Nakasero Road.
P.O Box 29851, Kampala, Uganda
Tel: +256 (0) 312 351600, Website: www.abi.co.ug

aBi's Coffee Value Chain Interventions

Coffee accounts for over 40% of aBi's supported six value chains in terms of the number of projects and size of investments. aBi and its partners are spearheading efforts to organise farmers into robust supply chains through sustainable and cost-effective means.

aBi Business Plan (2019/23) interventions at Producer and agribusiness level in the Coffee Value chain are: Certification for niche coffees; Processing capex for quality and efficiency, roasting and packaging; Coffee expansion to Northern Uganda Farmer training in Good Agronomic Practices (GAP) and Farming As A Business (FAAB); Aggregation, marketing, local processing (washing); Quality improvement for niche coffees; Commercial seedling production; and Export development.

However, currently, the bulk of aBi's support is focused on: improving productivity and quality of the coffee harvests; enhancing processing and value addition; intergraded soil fertility management; PHH technologies; institutional capacity building; facilitating market access; facilitating critical support services such as finance; and improving the enabling environment.

aBi is implementing a 5-year Green Growth (GG) strategy to ensure that our interventions support smarter, more sustainable, and equitable growth in the agribusiness sector. GG strategy places strong emphasis on the complementarities between the economic, social, and environmental dimensions of sustainable agriculture sector in Uganda. It follows three principals: DO No Harm; Participation; and Transformation.

Gender mainstreaming is also a key intervention in all aBi supported value chains, coffee inclusive. We ensure access to productive resources by both women and men increase production along the coffee value chain. aBi's focus on improved gender relations has increased production and productivity.



“aBi procedures around financial accountability and management bring more rigour and transparency to our financial systems and contribute to our growth. We have introduced parts of the system throughout our company” - Kyagalanyi Coffee Ltd, Sustainability Manager



Above: Incubatees packaging La Marc coffee at CURAD Kabanyoro Incubation Center courtesy of aBi support

Impact of aBi interventions on the sector (evidence from impact assessment study 2021 conducted by DevLearn International as the independent assessor)

aBi conducted a comprehensive and independent assessment of systemic change on its value chain development and Financial Services Development interventions in Quarter I, 2021. Overall, aBi's interventions in the coffee value chain have had a positive impact on

the partners (coffee producers and exporters) and the producers linked to them.

94% of direct beneficiaries (coffee farmers) interviewed reported making changes in the way they cultivate, process, or sell their coffee as a result of their association with aBi's implementing partners.

Of these, 93% reported increased yields per tree and 84% reported

increased access to finance. A majority of farmers surveyed in this study stated their desire to continue with these changes in the way they farm.

The six interventions assessed as part of this study involved a diverse group of partners, from producer organisations and large private sector companies to industry consultation forums, as detailed in the table below:

An overview of some of aBi's coffee interventions assessed in the study

| Partner | Products | Intervention activities |
|----------------------------------|------------------------------------|--|
| Kyagalanyi Coffee Limited | Processed coffee for exports | <ul style="list-style-type: none"> Expand sustainable coffee schemes/ certifications (UTZ, RC, RFA) Establish demonstration plots and model farms showcasing Arabica and Robusta farming Capacity building of farmers in GAP, input use, good environmental practices, youth and gender issues Provision of inputs and assets to farmer groups Organise VSLA groups |
| Kawacom Uganda Limited | Processed coffee for exports | <ul style="list-style-type: none"> Improve the quality of coffee through training, demo plots, asset transfer (driers, storage, wet mill), and nurseries Replacement of old unproductive trees and increase production areas Set up VSLAs Gender mainstreaming by increasing female participation |
| Bushenyi DFA | Cherries/ primary processed coffee | <ul style="list-style-type: none"> Capacity building of farmers in GAP, FaaB, PHH, Irrigation, CSA, bulking and marketing, and gender concepts Establish demonstration sites Establish fully equipped collection and bulking centres, agro-inputs shop, and nurseries Form and implement VSLA groups. |
| Sembabule DFA | Cherries/ primary processed coffee | <ul style="list-style-type: none"> Training on GAP, demo plots, promotion of quality seedlings, and gender Installation of coffee huller Establish collection centres and nurseries. Create farmer groups for bulking/ marketing Development of a new loan product through the Sembabule DFA SACCO, agro input and vet shops |
| Café Africa | Coffee industry platform | <ul style="list-style-type: none"> Running costs of the Steering Committee Finance the Coffee Shows during which GAPs are promoted Facilitate the development of coffee extension materials for coffee farmers and extension workers Support costs of the Annual Stakeholder Meetings of National Coffee Platform |
| UGACOF | Processed coffee for exports | <ul style="list-style-type: none"> Capacity building of farmers in GAP, pest and disease control, inputs, PHH, certifications, collective marketing Establish nurseries for providing high-quality seedlings to farmers Establish a wet mill for value addition Organise farmers into VSLA groups Establish 400 producer organisations for linking to markets. |

aBi partners such as Kyagalanyi and Kawacom showed strong evidence of adopting aBi intervention activities into their regular business operations even beyond the partnership. Activities like targeting the strengthening of supply chains with improvements in coffee quality to attract demand from higher-priced buyers have been adopted.

Some of aBi's partners have **demonstrated to farmer suppliers the need for improving quality on their farms**. For example, farmers working with Kyagalanyi and Kawacom (80% and 71% respectively) reported getting higher prices for their coffee alongside the benefits of increased productivity and access to finance. However, NGO partners have shown that there are not financially self-sufficient beyond aBi's financial support towards these entities. In addition, producer organisations also share significant sustainability issues due to weak and vulnerable business models which are unlikely to support the large scope and scale of activities introduced in the partnership by aBi.

For instance, farmers connected to these partnerships are not seeing a consistent increase in income as a result of the intervention activities. They are also not incentivised to sustain any changes related to the intervention.

aBi's Implementing Partners especially, Kyagalanyi Coffee Ltd and Kawacom (Uganda) Ltd, exhibited signs of **adapting to the changing market conditions in coffee**. For example, expanding the scope of capacity building activities of suppliers in line with what specific buyers are requesting; integrating financial processes promoted by aBi into their company; and helping farmers to secure orders from higher-paying buyers (and as a result partners have secured specific funds from their buyers to continue these activities).

Recognition by UCDA

The coffee sub sector is expanding rapidly thanks to growing recognition of Uganda as a coffee destination as well as through the efforts of both the private and public sector. While there is no concrete evidence connecting aBi's interventions to any of these changes, **there is strong circumstantial evidence connecting aBi partners to changes in the wider market system**. For example, UCDA acknowledged aBi's role in promoting plantation management activities such as stumping and adopted it as a key rejuvenation activity that it is promoting throughout the country. This is a significant development as widespread adoption of stumping can make available an additional 10% coffee for processors and exporters to buy and sell. In other words, just through adopting stumping, Uganda can earn an additional US\$ 44 million over a three-year period.

aBi's partnerships with large companies have **played a significant role in opening new coffee areas to a larger group of buyers**. For example, aBi worked with Kyagalanyi Coffee Ltd to set up the first coffee washing stations and producer networks in the Rwenzori. According to KCL, several other buyers have moved into the area.



Members of Furber Village Saving and Loan Association in Zombo District (beneficiary farmers of AbiTrust & Kyagalanyi Coffee Ltd) during their weekly meeting.



Ankole Coffee Producers Cooperative Union's success story in Uganda's Coffee Production

Coffee continues to soar above the clouds as far as Uganda's leading exports are concerned. With the various players in the market, regulated by UCDA, the sky can only be the limit. The story of one of the fast-growing coffee farmers' associations, Ankole Coffee Producers Cooperative Union, will give you a clearer picture of how fast the coffee sub sector is growing. Our Reporter had a chat with ACPCU's General Manager, John Nuwagaba, who shared their journey.

Starting from scratch

Ankole Coffee Producers Cooperative Union (ACPCU) is a farmers' organisation that was registered in 2006 but only started operating in January 2008. The inception of this organisation was quite a humble one, having been started by 3,500 grass-roots farmers who originally belonged to Banyakore Kweterana Coop Union but moved to form a new union after the cooperative movement hit a snag. By that time, they

only had a capital of about UGX 1.5m with no assets at all.

"The only weighing scale we had then was donated to us by the Ministry of Trade through the Cooperative department. Worse off, then, we never had a moisture meter, yet it is one of the most important equipment in coffee trading," Nuwagaba said.

When Eliab Ngambe the then the

Chairman of the Union appointed my colleague Stanley Maniragaba and I to be the operations manager and General Manager respectively, we felt like it would not be possible because of the money they were offering to pay us at that time was too little. However, we later reconsidered and offered to work with Ankole Coffee Producers' Cooperative Union as volunteers and build the organisation. By the time we joined, ACPCU had only three workers,

later acquiring a driver who worked as a coffee mobiliser.

On a more positive note, the BOD headed by Ngambe with his then Vice Chairperson, Lay Canoon Sam Mugabi, were so committed to organising coffee farmers into a formidable organisation. These farmers had the zeal and will to do coffee export and value addition. The farmers were dealing with very high-quality coffee and knew what to do when it came to picking mature coffee. This shone a light ahead of where our organisation intended to go.

Growing ACPCU

Going forward, the organisation decided to pursue certified coffee in order to compete better among stronger and more established coffee organisations. We, therefore, started working towards getting a Fair Trade certification, which came through in May 2009.

At the same time, we started laying a strategy on how we would go into organic production. And eventually, we managed to work with Rabo Bank, in 2009, on the conversion into organic production which took three years.



ACPCU General Manager, John Nuwagaba

The importance of having a Fairtrade certification is that you are able to attract credible funders, and this comes with contracts that can help push the organisation.

The certification also comes with a special premium in form of money, and when this money came to us, we were able to do some community work including giving a facelift to a nearby school in the community. We also grow coffee on the school farm, in a bid to inculcate the culture of coffee farming in the pupils.

Growing ACPCU further, we partnered with other organisations like Agribusiness Initiative (aBi). aBi helped us with a grant to acquire various machinery that would get our factory running. On our part, we acquired a long-term loan from Rabo bank to put the structures for the factory, and fortunately, we were able to fully up pay the loan within the agreed period.

Since then, we have grown our business from the export of three-quarters of a container in 2008 to now 13th in 2020 (UCDA exporter rankings). However, we are working even harder to ensure that we grow our capacity, which is why we are now in the process of expanding our factory. By the time we finish all the new warehouses combined, we shall have a storage capacity of about 6000 metric tons.

The state of ACPCU today

Currently, we are in the process of branding ourselves as the centre of excellence as far as Robusta coffee is concerned. Already, the quality of our coffee is rated at 84.5%, above the 80% threshold for fine Robusta coffee.

We have surely grown. In terms of





member farmers, the number has grown from 3,500 to over 14,000 today. The number of member associations has also grown from 10 to 21 member associations today. Going forward, we want to start our own SACCO so that our farmers are able to save and get access to affordable credit to develop themselves.

The organisation's assets have now grown from UGX 1.5m and a weighing scale to UGX 20b by 2020. We believe that after the construction of the factory, this figure will increase. In terms of human resource, ACPCU has grown its staff members from three workers in 2008 to over 80 workers today.

On top of these workers, the organisation also provides job opportunities to 150 casual labourers, and these are women from neighbouring communities. Instead of using powerful mechanized colour sorters, we decided to give these women a source of livelihood. This has saved many families that were on the edge of breaking up.

Our main buyers are mostly in Europe, specifically in Germany, Spain, and Switzerland among other European countries. Recently, we have penetrated the Asian market through Japan and sometimes we get buyers from Sudan.

Partnership with UCDA

Uganda Coffee Development Authority (UCDA) has always been with us from the beginning. I recall, during those days when we were just starting, the

What farmers say

Silvano Bangumya, Chairman of Nyakaita Muhirwa Society

Representing coffee farmers under the umbrella society of Nyakaita Muhirwa, Bangumya says that because of their association with ACPCU, they are able to collect coffee from their members' farms and take it for processing and hulling at their hulling factory in Katenga.

"Being part of ACPCU, helps our farmers sell their coffee at higher prices, hence enhancing their profit margins. We also get materials to use in our gardens and seedlings from the ACPCU nursery bed at relatively lower rates," says Bangumya.

Bangumya, however, pointed out some challenges that the

organisation faces, such as, the coffee wilt which continues to destroy coffee in the various farms, hence killing the market for them. Today, Nyakaita Muhirwa has 955 members, thanks to ACPCU.



then Executive Director UCDA was always encouraging us and supporting us to grow.

Quite importantly, UCDA helped us to get our coffee inspected even before it was stored in the warehouses.

We worked to put a plan with them where they could inspect our coffee in Kampala, and this would help us cut costs since we are far upcountry.

UCDA also sends us trainers and engineers to equip us with various skills

as the coffee changes regularly. They have trained all our team members. Recently, UCDA supported our farmers to access organic manure so that they could enhance their productivity.

In terms of market development, UCDA has always exposed our farmers to market visits, something that always enhanced the knowledge of our farmers and staff members. The authority has always continued to connect us to many of their customers, especially in the international market, and this has continued to help us grow.



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Kyagalanyi Coffee Limited

**Creating value in Ugandan coffee,
from field to cup**

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kcl@kyagalanyi.com
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Uganda Coffee Day 2019: Sheema - Another of many examples of our long standing and working relationship with UCDA.

Celebrating 30 Years of the Uganda Coffee Development Authority



Paul Martin Maraka is the Executive Director of the Uganda Coffee Federation, a coffee professional with over 10 years of experience working across the African Continent. In this interview, he talks about the relationship between the Uganda Coffee Development Authority and Uganda Coffee Federation.

UCDA is now 30 years old. What does mean for this sector?

UCDA has been and always remained our number one partner since the early '90s as the national regulatory body for coffee. We have worked on so many policies and projects together it is nearly impossible to list them all – but some include: National replanting efforts, fighting CWD, controlling smuggling, enforcing quality and the general celebration and promotion of Uganda's Coffee.

We would like to congratulate the board and management of UCDA for achieving this great feat. Together we

shall continue to support the efforts of the Authority to increase production and exports of Coffee out of Uganda.

What is the Uganda Coffee Federation's mandate in the coffee business in Uganda? How far does it stretch?

The Uganda Coffee Federation is a non-profit company, limited by guarantee founded in 1991. Its membership includes coffee exporters, coffee processors, farmers, roasters and companies that supply equipment and supplies to coffee exporters and processors, clearing and forwarding companies, insurance companies,

banks and international coffee trading houses around the world.

UCF's membership trade, process and export over 95% of Uganda Coffee exports out of Uganda – contributing significantly to the livelihoods and incomes of millions across the country.

Our members include UGACOF, Kyagalanyi Coffee, Ankole Cooperative Union, Kamaama Coffee, Ibero Uganda, Kawacom, Ideal Commodities, GrainPulse, Kampala Domestic Stores, Export Trading Group, Africa Coffee Academy, Louis Dreyfus Commodities, Funzo Coffee,

New Bukumbi Coffee, Touton Uganda, Bollore, Spedag Interfreight, Icona, Zukuka Bora, The Gold Pearl Roastery, Great Lakes Coffee, Nasaaga Investments, Olam Uganda, Masha Coffee and Agribusiness Development Centre to mention but a few.

What challenges exist in the coffee industry in Uganda, and how can they be approached?

Currently, the main challenges facing the coffee industry are the COVID-19 Crisis. This has impacted the trading fundamentals, shifted and closed markets and lastly shaken logistics.

Other problems include the high cost of finance, climate change and the need for farmer support/outreach. Of these three - Climate change is the most threatening. Right now countries like Brazil are experiencing the impact of Climate Change on their crop with high levels of increased pests and diseases, irregular harvesting and planting seasons.

If we do not protect our environment and reduce the burning of fossil fuels (carbon emissions), we may one day have A WORLD (and country) WITHOUT COFFEE.

What challenges and opportunities do you see, especially in this COVID-19 era, and how have you survived the pandemic?

As stated above, COVID-19 has shaken the global coffee economy. Renowned trading houses, roaster and cafes are all going through tough times with markets struggling.

The key opportunity for Uganda is to improve its ability and efficiency to produce, process and export its coffee. It needs to secure its competitive - economic ecological and varietal advantages. For example, the expediting of the Uganda Railways will



UCF's membership trade, process and export over 95% of Uganda Coffee exports out of Uganda – contributing significantly to the livelihoods and incomes of millions across the country.

make logistics even faster and cheaper.

However, it's is key that despite this Uganda has continued to export more coffee during this period than in the last 30 years. We therefore must continue to meet the international demand requirements for Ugandan Coffees.

Consumption trends have been changing for some time now in Uganda. What do you make of this trends?

Consumption has continued to grow because of the improved quality of coffee served following capacity building across the country by UCDA and increasing private sector investment in the hospitality sector and value addition.

One needs to remember - Uganda is and remains a predominantly a tea-drinking country: a culture left behind and carried on from the English.

The hope is as Ugandans urbanize, coffee drinking in the cities and towns will increase. Also as Uganda has a young population, the industry needs to borrow from other sectors that are increasingly looking at young people as a key consumption market.

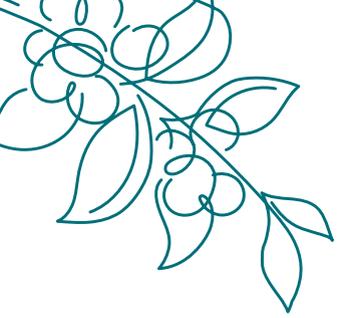
About Paul Martin Maraka

Paul Martin Maraka is the Executive Director of the **Uganda Coffee Federation**, a coffee professional with over 10 years of experience working across the African Continent. He is also the Principle Partner of African Coffee Hunters, a firm providing coffee solutions across the continent.

He strongly feels that the direction of Africa lies fully in the hands of Africans. People need to be empowered and this hidden potential will be released as the world increasingly looks to Africa as the next and final frontier.



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UGACOF: Driving sustainability across the coffee supply chain

For over 25 years, UGACOF has been at the forefront of processing and exporting Ugandan coffee. The Company's vision is to be the "leading sustainable 'Farm to Roaster' coffee company in the world". Our focus lies on embedding sustainability across the supply chain, building long-term partnerships with farmers, protecting the planet and investing in game-changing initiatives that benefit all stakeholders involved. UGACOF has implemented various sustainability initiatives across Uganda and is working directly with farmers to increase farm productivity and build household resilience.

Farmer Hub – Growing more prosperous and committed farmers

Farmer Hub Uganda is the cornerstone of UGACOF's sustainability strategy. The platform provides entrepreneurial farmers with access to customized services to grow their businesses to achieve shared and durable prosperity for all. Currently, Farmer Hub is partnering with coffee farmers across the Greater Masaka Area. The primary goal is to build a resilient, traceable and diversified supply chain in a healthy environment that is fueled by long-term and one-on-one partnerships with farmers.

The package of quality services that Farmer Hub offers are: Coffee buying, Farm inputs, Cash advances, Agronomy training and Certification support.

Strengthening support to farmers and coffee traceability through innovation and data management

UGACOF is working together with Cropln, a digital data platform that monitors farmer engagements across the supply chain. Cropln collects real-time and individual farm-level data allowing the field team to provide tailored recommendations to farmers and monitor farm progress.

The functions of Cropln include: farmer registration coupled with a GPS location, planning and recording trainings, area audits, recording of farm production levels, tracking loan advances and sending bulk SMS messages to producers. Farm data can be exported and shared on Farmer Connect – a blockchain technology solution that allows buyers to have full traceability and transparency back to the producers.

Sustainability in Arabica Regions

This year with support and collaboration from Farm Africa and UCDA and co-funded by the European Union, the "Increasing Market-Orientated Production for Arabica Coffee Together" (IMPACT) Project was launched. A project dedicated towards empowering coffee farmers, boosting farm productivity, reducing post-harvest handling losses and expanding market opportunities for over 40,000 beneficiaries across the Rwenzori and Kigezi regions.

The IMPACT project will further accelerate Uganda's ambitions to upgrade its coffee value-chain, focusing on delivering quality coffee for export and including smallholder farmers within the value chain.



Partners:



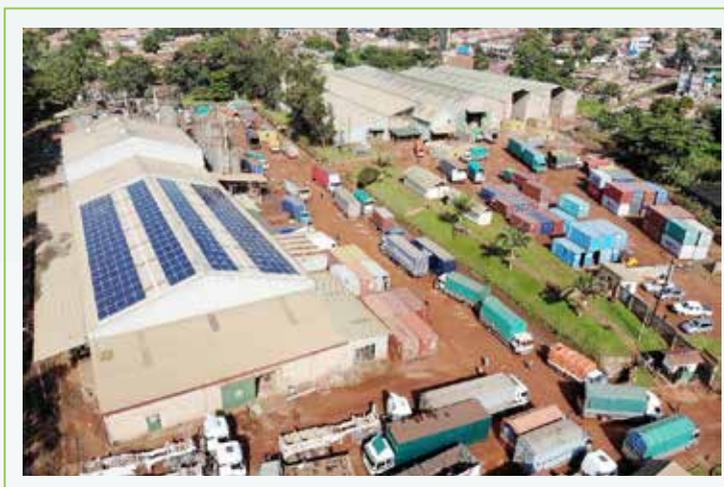
FARM AFRICA



Renewable energy for coffee production

As part of our efforts towards resource efficiency, the reduction of carbon footprint and our commitment to reducing its environmental impact, UGACOF has started decarbonization of its energy system through the installation of solar panels at our Kampala coffee mill. Over 300 new solar modules were installed with a power capacity of 100.3 Kwp. By doing so, we are ensuring access to affordable, reliable, sustainable, and modern energy.

We are continuously exploring opportunities to further build mutually beneficial relationships for farmers and the business. We are only at the start and look forward to a sustainable future!





Happy 30th Birthday, UCDA!

From Neumann Kaffee Gruppe (NKG)



Ibero Uganda transforming smallholder coffee farmers' livelihoods through their sustainable sourcing strategy

About Ibero Uganda Ltd.

Founded in 1994, we at Ibero Uganda are on a mission of providing the best internal marketing service that will ensure maximum benefit for individual coffee producers and maintain the prestigious position of Ugandan coffee in the international market. Our team of dedicated and experienced staff is specialized in every area of our business that includes quality control, export processing, logistics and risk management. Ibero Uganda is a company of Neumann Kaffee Gruppe, the world's leading green coffee service group.

About NKG BLOOM Uganda

Rethinking coffee sourcing, in 2017, Ibero Uganda set up NKG BLOOM Uganda – an initiative of the Neumann Kaffee Gruppe (NKG) to ensure the long-term viability of green coffee supplies by providing smallholder farmers with the opportunities and resources they need to run their farms at full potential and enter a pathway out of poverty.

NKG BLOOM addresses barriers to farmer success and offers individual farmers and farmer groups bespoke combinations of services centred around financing, which is often the core

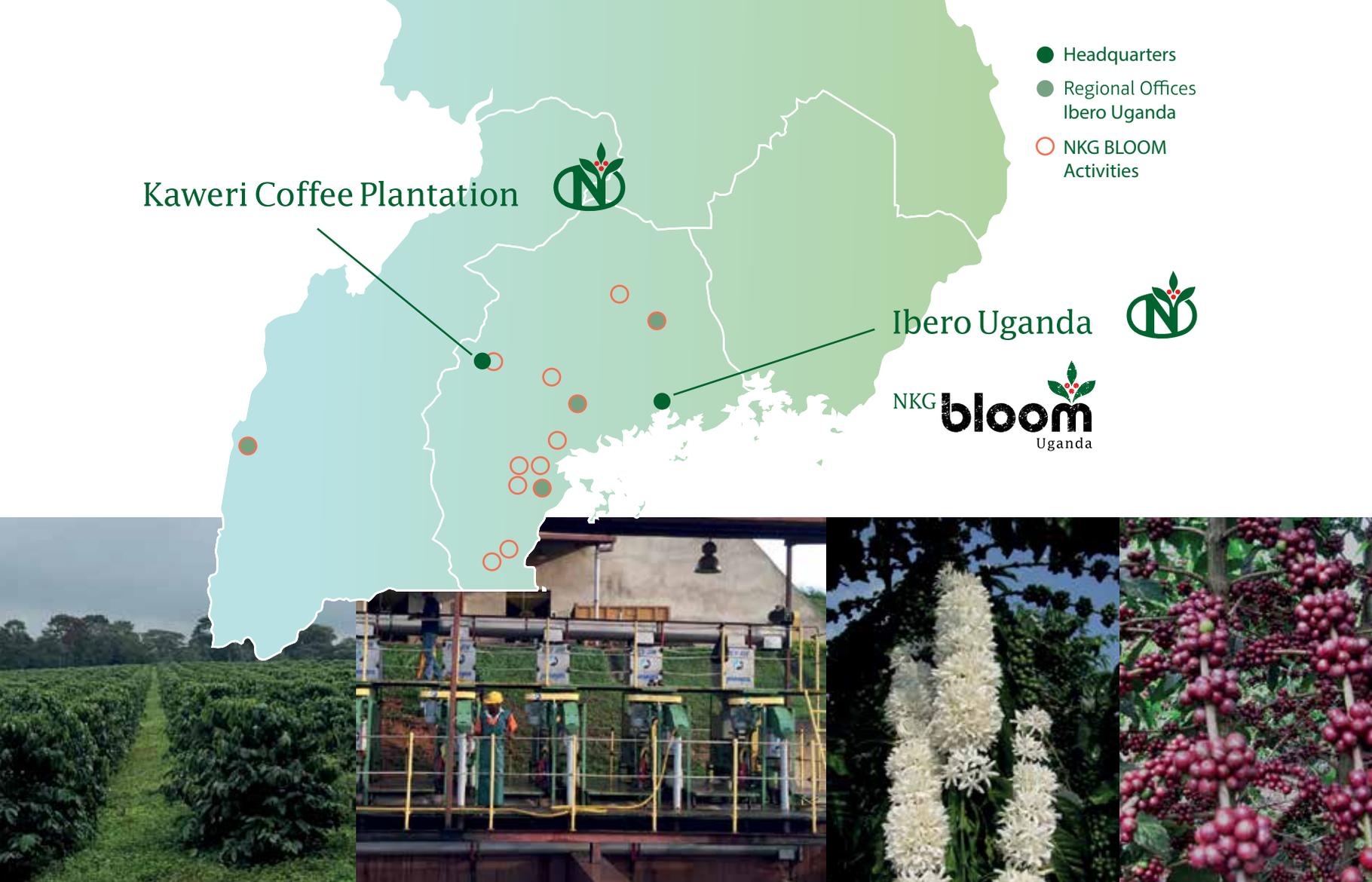
bottleneck faced by farmers, yet it is essential to unlocking the huge potential that these farmers hold.

The Ibero Uganda Farmer Services Unit provides farmers with not only financing, but high-quality inputs and any know-how they need to run their farms at full potential and maximize their net incomes. In striving for transparency and traceability, mobile software links each coffee bought by Ibero to the work being done in the field, the farmer or farmer group that produced it, and the green buyer who purchases it. With this strategy, Ibero Uganda is proud to be aligned with the Ugandan Coffee Road Map.

Contact us at Ibero Uganda

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For more information, please visit our website:
www.nkgbloom.coffee/uganda



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Activities

Kaweri Coffee Plantation

Ibero Uganda

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Proud Producer of Uganda's Finest Washed Robusta Coffee

Kaweri Coffee Plantation congratulates UCDA for 30 years of development and promotion of coffee in Uganda. We extend our sincere appreciation to UCDA for their tremendous efforts and support extended to Kaweri over the past 20 years, contributing towards the success of this wonderful plantation.

Established in 2001, Kaweri Coffee Plantation has worked hard to develop a fine Agronomic Concept for Robusta Coffee which was shared with UCDA and implemented amongst Uganda's coffee farmers. Kaweri produces a very high quality washed Robusta coffee, which is marketed across the globe. The plantation continues to supply coffee farmers throughout Uganda with the prime quality Robusta Coffee Seedlings. As the largest commercial coffee plantation in Uganda, with a strong corporate social responsible policy, Kaweri remains committed to its continued development of the plantation, support of the community and the coffee sector as a whole in collaboration with UCDA.

Contact us at Kaweri Coffee Plantation

Etienne Steyn, Managing Director
etienne.steyn@nkg.coffee

For more information, please visit our website:
www.kaweri.com

www.nkg.coffee

Besmark Championing Coffee Quality through engagement with farmers' and middlemen



**BESMARK COFFEE
COMPANY LTD**

Although the Government through the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) and the Uganda Coffee Development Authority (UCDA) has for a long time stressed the aspect of quality, Uganda's coffee is to gain a top place on the international market. Bernard Sabiti, the Managing Director of Besmark Coffee Company Ltd, a company that processes and exports green coffee beans, says farmers, middlemen and traders determine to a bigger extent, the quality of coffee in the entire coffee sub sector value chain.



According to Bernard Sabiti, sensitizing, teaching and empowering coffee farmers and Middlemen traders in the coffee sub sector will determine how far the industry will go as far as attainment of the best international quality coffee standards is concerned.

Most coffee processor and exporting companies in Uganda procure coffee beans from middlemen and sometimes directly from farmers themselves. However, according to Sabiti, some of these companies own coffee farms and therefore know well the challenges faced by the sub sector when it comes to quality.

Therefore, as much as it has been perceived that it's the Government mandate to ensure that the right quality of coffee is produced, we, the coffee processors and exporters because we are chanced with the advantage of being in direct interaction with farmers and middlemen most of the time, can also do much as far as training on the application of best agronomic practices, handling and transportation is concerned to coffee produced in Uganda.

Apart from Managing Besmark, Sabiti has in the past served as Chairman Uganda coffee Traders and processors association for 7 years and asserts that part of the association's mandate was to train coffee farmers on quality initiatives, they thought

would ensure a better quality of coffee so that the industry can progress. He adds that the association worked to find a solution for common problems and challenges that affected the coffee quality and production and tried in their capacity to resolve some issues and slowly, Sabiti says the industry has seen steady progress and improvement in the later areas of concern.

This, according to Sabiti will have a great impact on the quality of coffee produced in Uganda and will in the long run raise our status on the international market. "Most of the time when we are buying coffee beans from farmers and middlemen, we find about 20% foreign matter mixed up with coffee and this greatly affects the price of coffee and the perception of coffee traders especially middlemen."

"When we are paying, we consider that there might be foreign matter mixed up with coffee so we pay less the price for each bag of coffee by about 20% and this reduces on the earnings and the general livelihood of players. This is a great challenge in the industry and those who are involved know it very well", Sabiti says.

As we trade with different players in the coffee value chain, Sabiti says coffee has redeemed many households from poverty. "We attribute this to the effort of the Government. I consider farming coffee



With coffee production, households can improve their incomes and educate children, fight poverty and inspire development in the area in terms of good roads, job opportunities thus pushing the country to achieve the middle-income status soon.



as having patient capital as coffee is not like beans which you plant today and in 3 months you are enjoying the benefits. With coffee, you have to be patient knowing that after the long wait, the reward will be for years."

Through coffee, livelihoods and community have been improved. In order to attract residents into coffee production, associations in the sector form saving scheme to enable players to access low-interest loans to push farmers into their coffee enterprises and I think this, with more support from the government to such associations, the 20 million 60kg bags by 2025 could be a walkover.

"With coffee production, households can improve their incomes and educate children, fight poverty and inspire development in the area in terms of good roads, job opportunities thus pushing the country to achieve the middle-income status soon. Farmers invest too much in coffee production expecting huge returns. However, access to finance has always been an issue. I believe that if they receive government complementary support in terms of tractors with their accessories, farm inputs, fertilisers, storage facilities, electricity and technical advice, they will be able to double their production and get a better market for their coffee.

The government needs to engage and inspire farmers by giving them high-

quality coffee varieties on time. Most times government provides seedlings but some never reach the ground, and those that reach do in a dry season when the planting season has ended and the supplied seedling dies. This way Sabiti says the Government's efforts to achieve the 20 million 60kg coffee bags are hindered stealthily.

With a wide-ranging digital traceability project, Uganda has shown promising results for coffee farmers in the past with buyers willing to pay premium prices for traceable coffees above traditionally traded coffees of similar quality, calls for more Government's efforts in terms of monitoring seedling delivery on-farm grounds as this will ensure meeting targets on increasing coffee production.

Besmark was among the top 10 Coffee Exporters by Market Share in June 2020 with about 3.6 per cent. Besmark as a company produces 183,742 bags annually with 6000 bags from out-growers, 175,529 bags from middlemen traders and 213 bags from its 12-acre farm on which it partly grows coffee.

Besmark manages to earn not less than US\$ 10,000 annually from its operations in the coffee sub sector however with the advent of COVID-19, Sabiti says the industry saw unprecedented challenges both in terms of lowered prices and operation hardships where for example

containers were inadequate. "Nevertheless, prices are slowly recovering and we hope for the best."

COVID-19 hit many players in the sector some of which had to close shop with people's unpaid invoices. This stresses why we continue to call upon the government to avail support so that those struggling in the industry get revamped.

The government could do us in the industry good by waiving tax on machinery used in the coffee sub sector as they did on machinery for packing so that production can continue going up. With better technology and machinery comes better quality and increased output although all this can be affected by the high prices and taxes imposed on the equipment. Waiving off these taxes, according to Sabiti could in a way make up for the volatile prices Government can't control.

"Progress to quality and production improvement will depend on how the enter coffee sub sector players work together. It will require concentrated efforts to achieve targets and objectives in the coffee sub sector."

We thank UCDA and MAAIF for the initiative into the coffee sub sector and we hope for even more continued support towards the development of the entire coffee value chain. ■



TOUTON
— UGANDA —

**Your trusted long-term partner for sourcing and delivering
sustainable and traceable commodities from Uganda**

Tukulakulanire Wamu
« We grow together »



Plot M224 - Ntinda Industrial Area - P. O. Box 4152 - Kampala - Uganda
office-ug@touton.com - www.touton.com



Touton Uganda Ltd, is a subsidiary of Touton S.A., the world's leading agricultural commodity trading and processing company. Established in 2015, we have become a key player in the Ugandan coffee sub sector by growing our activities based on a sustainable and collaborative approach. Now part of the top coffee exporters in the country, we continue to expand and develop our portfolio of quality commodities from Uganda. Our ambition is to become a trusted long-term partner to our local stakeholders and international customers for sourcing and delivering sustainable and traceable commodities from Uganda.

Who is Touton Uganda?

Touton Uganda (Touton (U) Ltd.) was established in Kampala in 2015 to trade and second process green coffee for export as a subsidiary company for the Touton Group, a world-leading trading and processing company for cocoa, coffee, vanilla and spices, established in France since 1848.

In only a few years of running operations, we recorded exports of about 23,000 metric tons in 2020. We are continuously investing and growing our operations to consolidate our position amongst Uganda's most important coffee exporters. Both Arabica and Robusta coffee beans are processed in our Kampala factory located in the Ntinda Industrial area, Katalima sector. The factory is qualified for processing and handling UTZ certified coffee and cocoa since 2019.

We promise to deliver quality coffee and trustworthy services to our international customers. Our expertise relies on our understanding of the local supply chain and collaborative approach which is perfectly reflected by our motto "Tukulakulanire Wamu" ("We Grow Together" in English).

Promoting Ugandan commodities to the world's markets

Over the past six years, we have strengthened our relationship with UCDA and worked hand-in-hand to promote Ugandan quality coffee on the international markets. This collaboration is extended to the field where we combine efforts to provide extension services to smallholder coffee producers on good agronomic, social, environmental practices as well as quality coffee production and processing. The past 30 years in the Uganda coffee landscape have been rich in experience, and we are looking forward to the upcoming ones!

Sustainability as a driver for growth

Benefiting from Touton Group's strong experience in sustainable sourcing of other commodities, such as cocoa, we are now expanding our vision and know-how to our Uganda operations. We are strengthening our national anchorage by investing upcountry, with the objective to support the social and economic development of producing communities.

Our vertical integration strategy is in line with the UCDA Roadmap for sustainable coffee production and support to smallholders producers in Uganda. As a pivotal actor in the supply chain, we are supporting smallholder coffee producers' livelihoods, starting with our first upcountry branch in the Rwenzoris.

By producing and selling quality traceable and certified coffee that is increasingly attractive to international buyers, we seek to improve farmers' incomes and build a transparent relationship with both producers and international buyers. We strive to be the service provider that works with coffee-growing communities, supply chain actors and clients to build a more sustainable coffee value chain.

We believe in the potential to make a difference in the livelihood of farmers and their families by promoting crops diversification and offering market offtake opportunity for several commodities such as cocoa, vanilla and spices. With about 70% of coffee producers in Uganda relying on coffee sales for their livelihoods, externalities such as market fluctuations, meteorological events, and climate change, can have dramatic impacts on households' wellbeing.

Enhancing smallholder coffee producers' economic and climatic resilience is our ambition to strengthen and expand the Ugandan agricultural sector for the future.

Contact us!

Touton Uganda Ltd.
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KAMPALA DOMESTIC STORES LTD.

Coffee Farmers, Buyers, Processors & Exporters

KDS: Over 25 years' experience in coffee production, processing and export

At the start of any business, the result is expected to be profitability and sustainability. However, for coffee, like other agricultural commodities, the prices are very volatile depending on supply and demand coupled with climate change, foreign exchange impact, high cost of finance etc. Despite the above challenges, Kampala Domestic Store (KDS) has managed to sail through the years as the Director of Operations, John Kimuli narrates.

Q What is Kampala Domestic Store Ltd, and what do you do?

A KDS is engaged in coffee farming, buying, processing, and exporting with a high focus on Uganda's Natural Robusta.

Q When did Kampala Domestic Store Ltd come into existence?

A Kampala Domestic Store Ltd was incorporated in Uganda in 1995 as a Private Limited Company; owned 100% by Ugandans

Q Is KDS involved in the production of Specialty coffees?

A Yes, and mainly Washed Robusta Coffee. This is processed through

the following steps; Enforcement of selective picking of only red ripe cherries, and extra sorting of the berries to have only red ripe cherries, Subjected to floatation to remove the defective cherries which float and the heavy ones which sink are the ones taken as the good ones. Cherries are then pulped to remove the red/ outer skin and expose the mucilage of the coffee. The wet parchment is then sun-dried after which it is hulled. This processing method gives Fair Average Quality (FAQ) awaiting to be processed and graded and finally exported.

Q What is your export capacity?

A As a country, in the coffee years 2019/2020 Uganda exported 5,359,970 bags and KDS contributed 3%.

Q How are you positioned to manage the changing trends of the coffee business in Uganda and the world over?

A KDS follows the changing trends daily and among the many interventions, has embarked on the following;





- We produce quality Coffee Wilt Disease-resistant Seedlings (CWDRs) for coffee nursery operators and individual farmers.
- We are also coffee farmers and we are organising an out-growers' scheme aimed at increasing volumes of washed Robusta specialty coffee.
- We are preparing our out growers for certification schemes which will ensure quality, sustainability and good premiums.
- Through partnerships with different organisations like aBi-Trust, Africa coffee academy, Café-mundi, Private sector Foundation etc., we have managed to train farmers in good agricultural practices to enhance coffee quality and boost market linkages.
- More collaboration with cooperative societies.

Q What is your relationship with UCDA and the other players in the coffee business family?

A UCDA is the regulator of coffee industry and we interface with it daily. We are consistent players in the industry who compete favorably at the world market under the UCDA guidelines to uplift the quality of coffee at the world market.

We collaborate with other coffee stakeholders like Uganda Coffee Federation (UCF), Uganda Coffee Farmers Alliance (UCFA), African Fine Coffees Association (AFCA), National



As a country, in the coffee years 2019/2020 Uganda exported 5,359,970 bags and KDS contributed 3%.

Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE) etc.

Q Who are the main buyers of your coffee?

A We sell our coffee mainly to;

- The European Union and the main countries of destinations are: The UK, Germany, Switzerland, Netherlands, Spain, Italy, Denmark, Poland and Norway.
- Asia and Far-East: -our main importing countries Singapore, China and India
- Africa: Our main importing countries are Sudan and Maghreb countries.
- Other importing countries include: USA, Russia, Ukraine etc.

Q How has your operation impacted the community you work with, do you have any beneficiaries of your existence?

A At the moment, we are in a progressive approach to achieve our vision and mission statements. We have partnered with many other bodies in the industry to increase

quality coffee production and imparting knowledge and skills to farmers.

We have also introduced Village Savings and Loan Associations (VSLA) within our out-growers scheme coverage. These have grown over the years and farmers have benefited tremendously.

We have created both direct and indirect employment with in Muduuma Sub-County and other parts of Mpigi District.

Q What message do you have for UCDA and other coffee family members as we celebrate the 30 years of coffee development in Uganda?

A First of all we congratulate UCDA upon its 30 years of existence. As UCDA is implementing the Presidential directive of Coffee Roadmap, we suggest the following;

- Farmers plant clean coffee materials from Registered Nursery operators, closely supervised and monitored by UCDA.
- Set up coffee demo farms at Subcounty level in all coffee-growing districts where new and old farmers continually acquire new techniques
- Enhance existing and encourage formation of new cooperatives through which quality will be achieved.



Empowered farmers embrace coffee value addition

A Testimony of Busaanyi Village – Mpigi District

There are coffee shambas mixed with bananas along Mityana Road, as you drive through Muduuma Subcounty to Busaanyi Village. And when you talk to the residents, everybody knows about coffee.

“From the 1960s and 1970s, my parents and grandparents depended on this crop for income. But then in the 1980s, after the war broke out, most of the coffee shambas were abandoned,” says George Kivumbi, who has been a coffee farmer in Busaanyi village, Muduuma Ssabagabo, Mpigi district for more than 10 years.

Kivumbi says, “most of the modern houses in the sub-county for the last 10-15 years were constructed by people engaged in coffee farming; not only houses, but people also have bought cars and motorcycles from coffee farming that was re-introduced by Kampala Domestic Store Ltd (KDS). Since the re-introduction of coffee farming in the region, transformation of the coffee sub sector in the region has been ongoing.”

Residents of Muduuma are now destined for more financial benefits from coffee farming through value addition through milling of Kiboko

with the newly established processing plants, to boost value chain initiatives in the area.

Kivumbi mobilized area farmers to form Muduuma Coffee Farmers Association, a group launched to help farmers improve their coffee produce and incomes. They do save and borrow money from the association.

Kivumbi has for the last seven years been expanding his coffee farm. At the moment he has two acres of coffee with 900 trees from KDS nursery.

Kivumbi’s coffee farm expansion has been realised using his retirement package and income from his coffee farm has seen him construct a retirement family house, he has also been able to see his children graduate.

Tapping into the benefits of collective marketing

According to Kivumbi, forming an

association has helped members to access financial and collective marketing which guarantees a better bargaining power because of the high quality.

“This project has so far provided job opportunities and helped members sell their coffee after adding value to it. As an association, we have been able to work together to acquire better scientific practices of taking care of the crop on the farm, harvesting and post-harvest levels,” he said.

The Agricultural Business Initiative and Kampala Domestic Stores (KDS) have been involved in supporting farmers through trainings in Good Agricultural Practices (GAPs), collective marketing, a move that empowers farmers into enjoying the large economies of scale realised after gaining better bargaining grounds, occasioned by the accumulation of bigger tonnages. ■



ISHAKA QUALITY COMMODITIES LTD

Ishaka Quality Commodities Ltd is a Ugandan registered coffee processing and exporting company that sells coffee to both local and international markets.

Ishaka Quality Commodities Ltd was incorporated, founded or registered on 31st August 2012. With over eight (8) years of experience, we can deliver quality coffee and outstanding support to our customers. The company is headed by the CEO, Ndagire Hadijah Kizito, under the board of directors.

VISION

To be Uganda's leading coffee production company with the most excellent quality coffee in Africa.

MISSION

We strive to provide the best quality coffee to our customers on time.

GOALS

Global customer satisfaction.
Integrity and total commitment.

ISHAKA QUALITY COMMODITIES LTD

Plot 4775, Mpererwe Ssekanyonyi, Gayaza Road
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+ HULLER + PRE GRADER)



Coffee processing solutions that bring positive and sustainable returns to customers has been Pinhalense's motto for generations. Innovative processing technologies addressing the challenges faced by coffee producers and exporters around the globe has turned Pinhalense into the largest maker of equipment to process coffee in the world with sales in 100 countries on the 5 continents. Pinhalense's extensive international experience covers all types and sizes of coffee processing solutions, from harvesting to exports or roasting, from ecological wet milling to drying, dry milling, dust aspiration systems, electronic flow and bagging scales and bulk container loaders.



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BrazAfric is an engineering company that focuses on the agribusiness sector on bringing the best technological solutions and innovations that combine the best cost benefits to its clients in terms of value pricing, best project layout designs, flowcharts, high-quality equipment with reliable effective delivery cycle and after-sales services.

BrazAfric is the sole agent of Pinhalense Máquinas in the supply of complete coffee wet and dry milling equipment solutions in East Africa. We are market leaders in the supply and installation of coffee equipment/ machinery and aiming to be one of the most reliable suppliers in Eastern Africa for complete solutions on milling equipment for rice and pulses, maize, wheat and animal feed.

BrazAfric offers turnkey solutions in the coffee sub sector, and below are other agricultural equipment solutions in the coffee sub sector that we offer and complement what Pinhalense supplies:



Sample Roasters and Complete coffee lab Equipment



Electronic Color Sorters of different sizes and models



Air Compressors of Various Sizes and Capacities with their accessories



Coffee equipment that extracts excess water & reduces drying time from washed parchment.



Different types of Silos in various capacities for small to large scale farmers and Processors.



Automatic packaging machines for roasted coffee beans and other produces.



Grain sample moisture meter - reliable and easy-to-operate.



Coffee Shade Nets for broad variety of coffee uses; shading, drying, nurseries etc.



Agricultural Spraying Equipment Solutions



Other Coffee & Grain Tools/ Farm Accessories



Shop Coffee roasters and grinders that provide shop owners and baristas with advanced technologies, as well as higher capacity options. With Touch Panel – Full control at your fingertips for the best repeatable coffee roasting quality in the easiest way.

The super coffee roasters and grinders have 5 alternative models with capacity options of 10 –90 Kgs/h.



Masaka Cooperative Union Limited (MCU)



MCU
LIMITED

Introduction

Masaka Cooperative Union Limited is a member-based Union comprising of 104 primary Cooperative Societies. The Union covers the districts of Greater Masaka Region; Masaka, Rakai, Sembabule, Bukomansimbi, Kalungu, Kyotera and Lwengo districts all from Southern Uganda, bordering Lake Victoria. The Union play a pivotal role in mobilizing smallholder Robusta Coffee farmers and resources for socio-economic development.

Background

Masaka Cooperative Union Limited was established and registered on 20th November 1951, as a

Cooperative Union. The Union is a member-based organisation of Smallholder farmers dealing in the production of cash crops, mainly, Robusta Coffee. In addition, the Union facilitates group Robusta Coffee bulking from smallholders to offer marketing to international buyers.

Administrative Structure

Farmers (members) formed primary societies at the parish level. These in turn nominate one (1) Delegate to the Annual General Meeting of the Union Policy-Making Body, from which a Board of Nine (9) members is elected. The Board is headed by the Chairman, Vice Chairman, Treasurer and six (6) Members. Their

Term-of-Office is four (4) years, renewable.

The Board then appoints Management headed by the General Manager for the day-to-day Union operations.

Business Activities

- i.** Processing (grading) of Robusta Coffee beans to exportable grades at Kyabakuza Factory owned by the Union.
- ii.** Export of Robusta Coffee to European markets.
- iii.** Buying members' Coffee through the established coffee buying centres in the region.

vi. Propagating clonal coffee seedlings for coffee farmers to improve both productivity and quality. The project is located at Kyabakuza Nursery.

v. Farm supply shop for quality inputs sold to farmers to ensure quality inputs. The shop is located at our head office building on Plot 37, Kampala Road- Masaka City.

vi. We are involved in Agro-Forestry for South African eucalyptus trees at Kitoma – 15miles from Masaka.

vii. We have also embarked on bee-keeping for Juice production. ■



Masaka Cooperative Union Ltd head office



Farm supply shop



Nursery bed project



Grading Factory at Kabakuza

Masaka Cooperative Union Ltd

Masaka Cooperative Building,
Plot 37 Kampala Road, Masaka City
P. O. Box 284 Masaka –Uganda
Tel: +256 414 671 247/+256- 772-617572
Email: mskcoop@yahoo.com

info@masakacooperativeunionltd.co.ug

Web: www.masakacooperativeunionltd.co.ug

Contact Persons:

Joseph Kavuma Mwanje - Chairman

Emmanuel Ssenyonga - General Manager



CECOFA: Alleviating poverty through market-based sustainable agricultural practices

Central Coffee Farmers Association (CECOFA), is a 'farmer owned' organisation that brings together coffee farmers from the Central region (Wakiso, Masaka, Luwero, Bukuya and Mubende), helping them improve their farming practices, access the international market, and receive free technical training and support in coffee farming.

OUR IMPACT

ECONOMY

Our farmers are also trained on how to Cup test their coffee, this improves the quality of coffee since each farmer fights so hard for her coffee to have the best flavour and aroma.

ENVIRONMENT

The association trains farmers in various environmental protection activities like tree replanting programmes, soil protection and organic agriculture.

SOCIAL

CECOFA is a producer organisation committed to the improvement of the living conditions of its members.

Ronald Buule, Executive Director



CECOFA desires that all coffee stakeholders and government form a coffee microfinance scheme that is independent of other banks, to reduce the bureaucracies involved in lending to coffee farmers and organisations. With stabilized incomes, farmers will stop harvesting unripe coffee thus increasing coffee quality, volumes as well as government revenues.

The youths need to be prioritized since coffee globally is more of traceability especially the certified coffees, which involves the use of modern technologies. The youth are responsible for the sustainability of the coffee sub sector from generation to generation. Women too need a special place in the coffee sub sector for their carefulness about coffee quality and saving as well as their emphasis on their families.

CECOFA suggest training **coffee-as-a-business** in secondary schools, tertiary institutions and higher institutions of learning in Uganda as a syllabus. All in all, we should bear in mind that coffee is the major cash crop of Uganda and the second in terms of income generation after fuel in the whole world.

Vivian Namata, Human Resource Administrator



CECOFA deals in Robusta coffee and focuses on the youth and women, allowing them to improve their livelihoods. We empower and support them to grow coffee and to be involved in all the coffee value chains due. They are also involved in the decision-making and encourage them to diversify into other businesses.

Ronald Ssebaale, Projects Manager



For several reasons, growing coffee has been reducing gradually. In our quest to revive this culture, we have partnered with development partners to encourage farmers starting with on the farm best practices (GAPs) and of the farm/ post-harvest to improve the quality and quantity of their harvests and to boost income.

CECOFA's value proposition has been selling certified coffees for its members to the international markets so that they can earn some extra motivation in form of premium compared to the conventional way. These include; 4C, Fairtrade, Organic, Rainfall alliance, etc. Also important to note in modern-day coffee farming, farmers need to have an alternative option to practice coffee farming as a business and also having a meaningful life.

John Vianney Mulindwa, Certification Officer



CECOFA has increasingly helped out the community through Corporate Social Responsibilities. We have provided foodstuffs to the elderly, constructed feeder roads and wells, and contributed to the building of churches using the premium funds.

We also encourage our farmers to adopt modern farming methods to promote stable production and adapt to the ever-changing climate as a way of improving our environment. Through the Coffee Youth Clubs, we have helped in skilling the youths and women in making energy-saving cookstoves in the bid to adapt to climate change.



06

PARTNERSHIPS AND COLLABORATIONS

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR

UCDA initiates partnerships and collaboration agenda

In 2015, the Uganda Coffee Development Authority (UCDA) embarked on a journey to increase coffee production and attain coffee exports of up to 20 million 60kg bags of coffee annually by 2025. This move will impact the lives of more than 1.8 million coffee farmers at full implementation, and rake in more than US\$ 1.5 billion into the economy every year.

To achieve this milestone, UCDA, the statutory organisation established with a mandate to promote and oversee the development of the entire coffee industry by supporting research, promoting production and controlling the quality of coffee embarked on seeking partnerships and collaborations with local and global partners.

This has seen UCDA reach out to different organizations both government and non-government organizations, religious institutions

including commercial farmers, seeking partnerships along the coffee value chain.

How UCDA is working with partners to increase coffee production and trade

Partnership with religious institutions

The Uganda Coffee Development Authority (UCDA) has partnered with churches and mosques across the country to promote coffee growing and already the Catholic, Anglican and Moslem denominations have been brought on board.

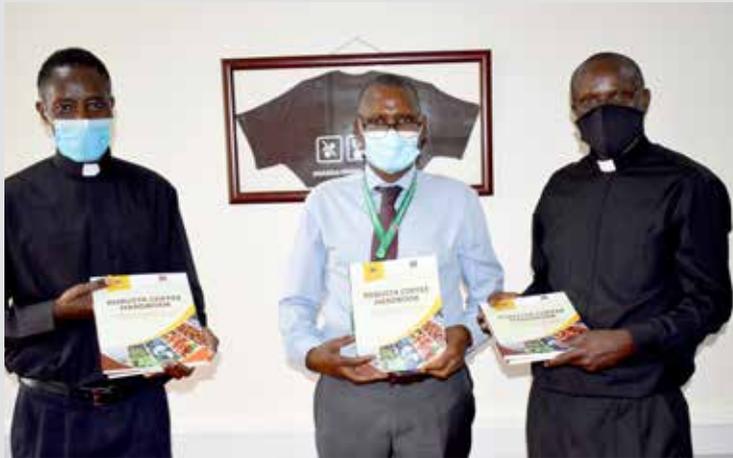
The Authority says it has allocated and distributed coffee plantlets to Dioceses, archdeaconries, and Church parishes in Central, Greater Masaka, Rwenzori, South-Western, and Western regions to establish coffee plantations.

According to the UCDA Executive Director, Dr Emmanuel Iyamulemye, the Authority has partnered with Dioceses in Ankole to establish coffee plantations on church land.

In the partnership, UCDA donated coffee wilt disease-resistant Robusta seedlings to the Dioceses for planting on church land,

Below: Commercial Diplomacy: UCDA, Ministry of Foreign Affairs and the British High Commission partnered to promote export of processed Ugandan coffee to UK





UCDA is partnering with the Catholic Church to boost coffee production among churches. UCDA allocated and distributed 172,400 CWD-r plantlets in Central, Greater Masaka, Rwenzori, South Western, and Western regions.



Ankole Diocese and Uganda Coffee Development Authority (UCDA) launched a partnership to improve household income through coffee-growing targeting 46,000 households.



UDB MD Patricia Ojangole and UCDA MD Dr Emmanuel Iyamulemye after Uganda Coffee Development Authority and Uganda Development bank signed an MoU to accelerate coffee production and export.



Dr. Emmanuel Iyamulemye, Managing Director UCDA and Stephen Asiimwe, the Chief Executive Officer PSFU signed a Memorandum of Cooperation (MOC) that will see the improvement of coffee production and value addition.

complete with demonstration gardens near the churches.

Iyamulemye says the strategy is to use the church to influence adherence to good crop and post-harvest handling practices, hence improving the quality and quantity of the coffee produced.

He adds that this program will enable churches to establish large-scale coffee farms and help boost production and generate income for communities and church institutions which is in line with the Coffee Roadmap.

Still, in 2020, UCDA forged a partnership with Hoima Diocese in the Bunyoro sub-region to promote coffee-growing in the area. The partnership was signed by Hoima Caritas Development Organisation (HOCADAO), the official socio-economic development arm of Hoima Diocese, proposed to generate income to support the Diocese's short-term needs.

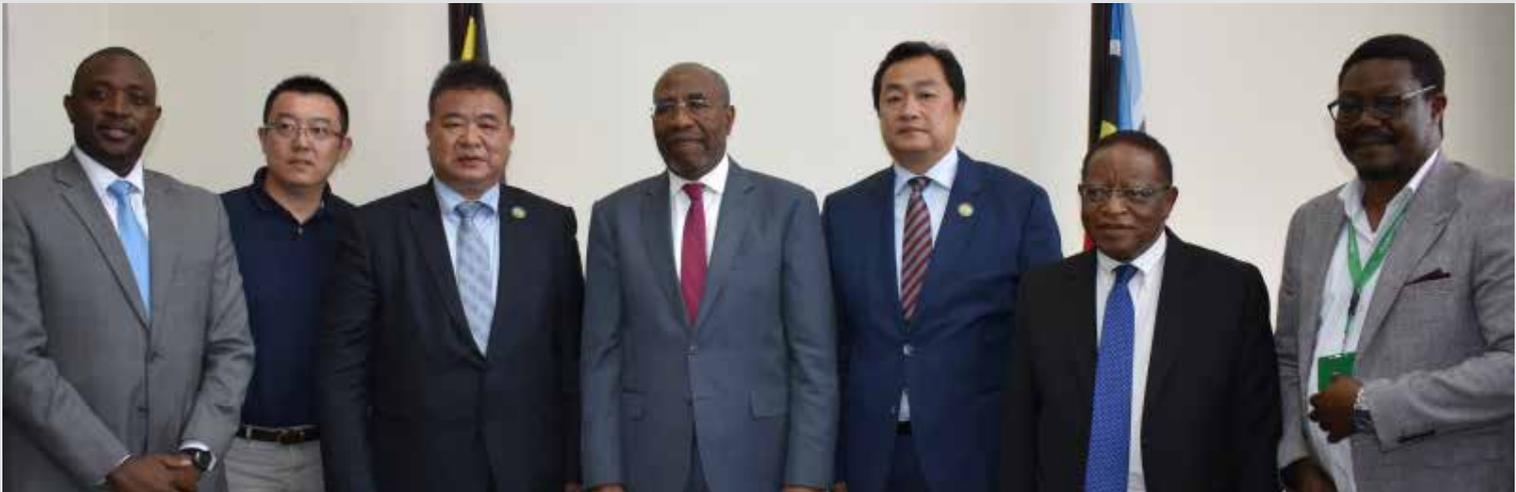
Uganda Development Bank

Uganda Coffee Development Authority (UCDA) and Uganda Development Bank Ltd (UDBL) signed a Memorandum of Understanding (MoU)

in July 2018 to accelerate production and export of Uganda coffee.

The MoU is in line with the Coffee Roadmap, which H. E. the President of Uganda, Yoweri K. Museveni, launched in 2017. The roadmap spells out nine transformative initiatives to implement a presidential directive to increase coffee production from 4.6 million 60 kg bags to 20 million.

The 4th initiative of the Coffee Roadmap is to strengthen farmer organisations and producer cooperatives to enhance commercialization for smallholder



Former Prime Minister, Rt Ho. Ruhakan Rugunda, a delegation from the Embassy of the Republic of Uganda in Beijing, China, UCDA staff and officials from Yunnan International Coffee Exchange led by General Manager YCE, Yang Shu, after signing of an agreement to enhance the exportation of Uganda's coffee to China between the Government of Uganda through UCDA and YCE.

farmers and ensure broad access to extension, inputs, finance and aggregation and promotion of value addition including primary processing. While the 9th transformative initiative is to develop finance programs with Central Bank and Treasury to provide financing to farmer organisations including lending to smallholders, coffee businesses and investors. UCDA and UDBL partnered together to implement these two initiatives.

Ms. Patricia Ojangole, Managing Director of UDBL welcomed the initiative which will continue to build on the constructive cooperation between the two entities in the interest of enhancing overall economic development.

The partnership with UDBL, according to the Managing Director of UCDA, Dr. Emmanuel Iyamulemye, will enable the coffee sub sector to achieve the target of producing 20 million bags in the stipulated time frame.

The MoU formalises and strengthens the relationship between UCDA and UDBL at the strategic and working level. It also focuses on the general

“

The Uganda Coffee Development Authority regulator has also agreed to work with the British High Commission to promote processed coffee exports to the UK.

principles for the cooperation of the two parties, the interaction between UCDA standards and the UDBL framework, the mechanism for mobilisation of funds for lending and capacity building as well as sharing information regarding their partners in order to avoid duplication of activities.

UCDA and UDBL have a shared objective of serving the public interest. The MoU enables the two entities to achieve common goals to define and establish arrangements to mobilize, sensitize, train, organise, support,

advocate for dealers and other actors at all stages of the coffee value chain..

Yunnan Coffee Exchange in China

Further across the great seas, UCDA has partnered with the Yunnan Coffee Exchange in China, to promote Uganda coffee in the Asian country.

In 2019, the top leadership of the Coffee Exchange visited Uganda to understand and appreciate the Uganda coffee industry and explore opportunities for increasing premium commercial coffees and specialty coffee exports from Uganda to China.

The delegation also visited the UCDA quality laboratory and carried out a cupping session, where they emphasised the need for UCDA to monitor, regulate and guide the entire value chain.

Uganda's coffee first arrived in China in 2003 through a joint venture with a Chinese company, and over the years, Uganda now has a coffee promotions strategy for China.

Currently, UCDA is looking at ways of supporting the private sector to



Commissioner General of Prisons, Can. Dr Johnson O.R. Byabashaija (L) and UCDA mangaging Director, Dr Emmanuel Iyamulemye Niyibigira signing MoU between the Uganda Prison Services and the Uganda Coffee Development Authority.



Commissioner General of Prisons, Can. Dr Johnson O.R. Byabashaija (L) and UCDA mangaging Director, Dr Emmanuel Iyamulemye Niyibigira signing MoU between the Uganda Prison Services and the Uganda Coffee Development Authority.

penetrate the Chinese market which will give the farmer a good place in the global coffee trade. China's coffee market is estimated at US\$ 11.5b in annual sales and is expected to grow by 10% in the next five years.

Additionally, Coffee consumption in China is growing at between 15 percent and 20 per percent annually, mostly driven by the more than 500 million middle-class people, a thing Uganda can take advantage of.

British High Commission

The coffee regulator has also agreed to work with the British High Commission to promote processed coffee exports to the UK. According to UCDA, the UK is ready to partner with export-ready companies in Uganda to help them scale up exports of processed coffee into the UK.

Currently, a few individuals export processed coffee to European markets such as the UK, and the partnership, according to UCDA, is primarily meant to scale it up.

Iyamulemye says Uganda can process coffee to international standards and

the quality, because its coffee has already been ranked third best in quality, all over the world.

As Uganda's coffee production rises, value addition is key to improving household incomes and ensuring sustainable wealth creation. This is in line with the agro-industrialisation agenda and the National Development Plan III (NDP III).

Uganda prisons Services

In 2017, Uganda Prisons Service signed a Memorandum of Understanding (MoU) with Uganda Coffee Development Authority (UCDA) to promote commercialisation and profitability of the Coffee Sub-sector in Uganda.

The general objective of the MoU was to form a partnership to enhance collaboration between the parties to implement a common objective of promoting the coffee sub sector.

The MoU mandated UPS to designate suitable land for coffee production, prepare the land, provide labour for planting, weeding and harvesting among others.

UCDA on the other hand was to provide coffee seedlings for plating, training of Prisons staff, Prisoners and the surrounding community in good coffee agronomical practices, nursery establishment and management, provide technical support in coffee extension and quality assurance, support planning and establishment of UPS farms as model farms for modern coffee production and technology development among others.

Uganda Prisons Farm Lotuturo in Lamwo District Northern Uganda, which sits on 700 Acres was selected to pilot the coffee project and currently, 200 Acres are planted with Arabica coffee. The farm produces its own coffee seedlings under the technical guidance of UCDA and supplies the balance of seedlings to the surrounding communities.

Cafe Africa

UCDA also worked with Café Africa, to establish the National Coffee Platform. The partnership also saw Café Africa provide the secretariat for the Steering Committee, a group which has met nearly every month for over 10 years, discussing sector development issues.



The Uganda Coffee Development Authority and Large Scale Coffee Farmers Association led by Dr Ian Clarke are collaborating to boost coffee production & quality.



Dr Emmanuel Iyamulemye and the Vice Chancellor of Kyambogo University, Prof Eli Katunguka, discussed plans to set up a coffee training center and a coffee shop at Kyambogo University. UCDA has roll out the #Youthincoffee program to all Universities in the country.

District Coffee Shows have been supported since 2008, attracting over 150,000 farmers to learn more about coffee. And also harmonized extension materials were developed through the Steering Committee, that have since been used as the basis of training of agronomists and lead farmers, both public and private sectors, in nine Districts.

Markup Uganda Project

UCDA with funding from the EU is running the Market Access Upgrade Programme (MARKUP) project, an initiative of the EAC Partner States.

The aim is to address both supply side and market access constraints of key export-oriented sectors, with particular focus on exports to the EU and ACP markets. In Uganda, the programme focuses on two commodities namely coffee and cocoa.

The project will in particular enhance market access to EU and the East African region by supporting private operators in the coffee and cocoa value chains to improve quality and quantity of the produce and retain premium prices for the same through niche markets.

The quality and productivity under this partnership will be achieved through the review and update of the cocoa sector policy, legal, regulatory and institutional framework, including standards, guidelines and best practices;

It will also develop and manage a matching-grant scheme targeting private operators in the coffee and cocoa sectors that intend to sustain smallholders to overcome supply and marketing constraints;

And also develop and manage programme estimates aimed at supporting market-led research on coffee and cocoa resistant varieties and strengthening public administration capacity for trade analysis, market surveillance and project management.

For this component, the European Union has provided funds for a matching grant scheme to support production, post-harvest handling and marketing of the coffee and cocoa value chains, with priority to private operators' interventions that are climate resilient, and environmentally sustainable.

Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)

MAAIF and UCDA recently partnered and distributed fertilizers. They also rolled out a countrywide program to encourage farmers to stump old coffee trees and rejuvenate them through the use of organic fertilizer.

Greater Masaka received 34,500 bags of fertilizer for 2,452,829 coffee trees. The central region received 34,080 bags for 2,036,166 coffee trees, while coffee farmers in Busoga and Bukedi received 30,000 bags of fertilizer. UCDA also delivered 17, 033 bags of fertilizer to benefit farmers in the 10 districts of Rwenzori region including Kasese, Kamwenge, Bunyangabu, Kabarole, Kyenjojo and Ntoroko among others.

Partnerships with higher institutions of learning

In a bid to equip youth with the necessary skills to take on the opportunities in the coffee value chain, UCDA is working with higher institutions of learning across the country to mainstream coffee programmes into their annual activities.



Recently, Dr. Iyamulemye led a team of UCDA staff and met with the Vice Chancellor of Kyambogo University. and discussed plans to set up a coffee training center and a coffee shop at kyambogo.

According to Iyamulemye, this will be rolled out through the UCDA Youth in Coffee program to all Universities in Uganda. Apart from Kyambogo University, UCDA also plans to partner with Mbarara University of Science and Technology (MUST) to construct a coffee learning hub at Kihumuro Campus on Mbarara-Bushenyi road. Iyamulemye said that the proposed coffee learning hub will be established through joint funding at the cost of about Shs.1.4 billion and will be implemented in a phased manner starting with an initial joint funding of USD 25,000 from the Inter Africa Coffee Organization (IACO). When completed, the coffee learning hub will consist of a coffee demonstration garden, training centre, coffee roastery, a café, conference facilities and will house the UCDA Regional office for the South Western region.

The regional office will have a laboratory for coffee quality analysis for pre-export certification for cooperatives and export companies operating in the region in addition to the provision of research, training and skilling in coffee value chain to students and members of Mbarara University Coffee Club.

UCDA Partners with PSFU Uganda.

As the coffee body continues to increase the market for Uganda coffee, management continues to identify potential partners. Recently, UCDA signed an MOU with Private Sector Foundation Uganda (PSFU). UCDA- pledged to work with PSFU to establish a mutual cooperation in the coffee sub sector regarding

production, productivity, marketing, policy environment, research and coffee business in the Private Sector of Uganda.

The specific areas of cooperation will include creation and exchange of information, cooperation on promoting coffee production, processing, domestic consumption and marketing in the private sector in Uganda and its membership.

Other areas include promotion and improvement in the marketing of coffee, including developing digital marketing platforms, with a view of optimizing efficiency and job creation among the youth; promoting domestic consumption of coffee in the private sector; promotion of coffee tourism and promotion of internationally accepted standards and quality of coffee to enhance its competitiveness.

"PSFU is currently engaged with 12 coffee companies through the various interventions such as the Lead Firm Structure where we have co-invested up to UGX 10 billion to unlock over 25,000 work opportunities for young people of whom 70% are young women. This is being done by working

in partnership with the following Lead Firms (i) NUCAFE, Touton Uganda Ltd, Kampala domestic Store (ii) Inspire Africa Establishments, Kawacom (U) Ltd, Grain pulse among others. "Mr. Asiimwe noted.

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UCDA is looking at ways of supporting the private sector to penetrate the Chinese market which will give the farmer a good place in the global coffee trade.

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Uganda Tourism Board (UTB)

Working with UTB, UCDA plans to promote coffee as a tourism crop. It will be promoted along the value chain, starting from the farm all the way to the market. Apart from the value chain, Robusta coffee will be promoted more because its origins are stationed in Uganda.

Robusta Coffee was born in Uganda - Africa but other countries that got it from here have made the best out of it through Coffee tourism. Apart from an increased number of tourists, the idea will create employment at the same time empower the farming communities.

UCDA/NaCORI

UCDA is working with National Coffee Research Institute, to produce high yielding and drought tolerant coffee varieties. This partnership resulted into the development of coffee wilt resistant (CDW-R) varieties. The 10 lines are marked KR-K10. Currently, NaCORI is multiplying Kituuz 8 to Kituuz 10 varieties whose performance has been exceptional. Kituuz 8 gets you high yields with good management that can go to about six tons per hectare and 5.6 kilograms per tree. Kituuz 9 yields eight tons per hectare while Kituuz 10 gives a farmer 10 tons per hectare.

Uganda Cooperative Alliance

On July 5, 2017 Uganda Coffee Development Authority and Uganda Cooperative Alliance signed a Memorandum of Understanding to boost coffee production countrywide.



UCDA is working with coffee exporters to embrace new markets like China, Saudi Arabia and Iran to sell more of Uganda's coffee.

The goal of the memorandum of understanding is to have farmers join farmer organisations that provide members with services required to drive farmer production and productivity and to make the organisations self-sustaining entities.

According to Dr. Emmanuel Iyamulemye, the Managing Director of UCDA, through the partnership the two entities will train farmers in leadership and business development, and facilitate the distribution of inputs, provision of water for irrigation, access to finance including credit and risk management, advocacy, collective marketing as well as community mobilisation.

Ivan Asiimwe, the Executive Secretary of Uganda Cooperative Alliance, is optimistic that the partnership will enable the alliance to overcome the challenges they have faced with regards to quality, finance, access to inputs and production. Both organisations are committed to putting the MoU into action for the betterment of all coffee farmers and the country.

Large scale farmers

Working with the association of Large scale coffee farmers, led by

Dr Ian Clark, the authority hopes to increase coffee production at the same time looking at quality for the ultimate goal of exporting 20 million 60kg bags of coffee. The group will also work with small holder farmers to open up more land for coffee.

UCDA's Partnership with Exporters

UCDA is working with coffee exporters to embrace new markets like China, Saudi Arabia and Iran to sell more of Uganda's coffee. According to David Katungi, Director of Strategy and Business Development at Uganda Coffee Development Authority (UCDA), the authority has plans of engaging more embassies to spearhead commercial diplomacy to raise awareness and grow demand for Uganda's coffee in the respective countries.

As demand grows for Uganda coffee, UCDA is working with coffee exporters to take on the new market opportunities and ship coffee that meets the quality demands in these markets.. For example, UCDA is undertaking continuous strategic interventions in China and other emerging markets in partnership with the exporters and foreign missions.

Katungi says whereas China is a very unique market because of their culture, the general marketing principles apply hence the need for exporters to ensure market quality requirements, be consistent with supply, must be trusted and operate on pure acceptable business principles. Coffee exports to China have been increasing over the years. For instance, Uganda exported 33,000 bags of coffee to China in 2018, 66,000 bags in 2019 and 83,000 bags in 2020.



7

WOMEN IN COFFEE

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR



Olive Kishero in her farm that contains 18,000 coffee trees in Buginyanya, Bulambuli District.

How the coffee value chain has transformed lives of women in Uganda

Women in Coffee

80%

Percentage of total agricultural output attributed to the effort of women in Uganda. Women contribute a higher-than-average share of total crop labour.

Coffee is one of the strategic commodities that the government through the Ministry of Agriculture, Animal Industry and Fisheries has identified as a priority agriculture commodity for export. Although it is a crop of high value, in the past, it was managed mainly by the men, from the harvesting stage all through to marketing. The women then only participated in planting, weeding and harvest before being taken over by the men.

Mzee Disoni Wabwire, who used to grow coffee around his home in Nampanga village in Sironko district said men took over from harvest to marketing because they had the skill of operating machines that would dehusk the coffee but also had connections with buyers at primary stores, also known as primary

cooperative societies then where most of the coffee would be sold from.

Since then, men have been at the forefront of coffee trade until a few years ago when some men decided to involve women, especially their favourite girl children, in the coffee enterprise.



Also, the increasing demands from Civil Society Organisations (CSOs) for women empowerment, has enabled women who did not have land to be given land, while some women have gone ahead to acquire their pieces of land where they are growing coffee among other crops.

Demands from CSOs have started to reap the rewards of their hard work. Women participating in coffee farming can now make decisions and have more control over household income, access to leadership roles within their coffee groups and cooperatives, and greater access to land.

UCDA support

These have further been supported by UCDA and several organisations such as IWCA Uganda and Omukazi W'Omutima who are advocating for the reduction of barriers for women in coffee by lobbying and advocating for resources as well as creating a platform to connect women to other coffee value-chains so as to empower women.

One of the lucky women who embraced coffee at an early age is Olive Kishero, who now boasts of 18,000 coffee trees in Buginyanya, Bulambuli district.

Kishero from Buginyanya sub-county, Bulambuli district, grew up in a coffee farming family. When she got married in 1990, she joined hands with her husband to multiply the 100 coffee trees, that were now under her care.

Working as a family, Kishero's coffee trees increased from 100 to now 18,000 trees. Growing up in a coffee farming family, Kishero had gained some skills in carrying out primary processing so as to sell from home.

"At home, we did not sell cherries, we always carried out primary processing which later developed into a premium coffee for sale because it fetched more money," said Kishero.

A kilo of processed coffee goes for UGX 10,000, which Kishero said has been helping the family generate incomes. Income earned from the sale of coffee according to Kishero has helped them educate her 7 children, who are all graduates.

"I can proudly say that coffee has earned me seven degrees. We have been using money from coffee to take our children to better schools that is why all the seven are all graduates with

bachelors degrees," Kishero added.

She however notes that although coffee is considered by the family as the main source of income, she has intercropped the coffee with bananas, also for sale and a few for home consumption. In addition to bananas, she grows yams, Irish potatoes and vegetables for food at home.

Challenges experienced along the coffee journey

Much as Kishero's family is considered successful because of coffee, all is not rosy for the coffee farmers in the Mt. Elgon region in general. Kishero explains, that they lack the information regarding the missing soil nutrients in the soil that could boost coffee production.

"My main problem in Buginyanya is that we do not have soil testing services to know which fertilisers should be added in the garden. So, we just buy through guesswork. Also, most fertilisers sold here in Buginyanya are not good," said Kishero.

You may change and it does not work. Sometimes if you do not calculate you may put well but bananas respond well,



A networking and women empowerment meeting organised by IWCo Uganda Chapter.

cutting bananas to sale to buy fertilisers.

Like one acre when all plants are good you, UGX 580,000 we put quarter a kilo in a tree. A kilogram is 3,000 or more.

Apart from fertilisers, farmers are also calling for assistance to get rid of the Coffee Berry Disease (CBD) that is first spreading in the region and has the capacity of causing 100% yield loss.

"New diseases come every year currently we are battling with the CBD disease which keeps attacking our crop. I have tried to get support from the Buginyanya research station, which is near one of my coffee gardens, but the response is that they are still researching to get us a solution, so we need urgent intervention in disease and pest management," Kishero added.

Appeal to UCDA

Kishero appeals to UCDA to support farmers in the Elgon region with access to quality agro-inputs but also help them fight the CBD that is first threatening coffee plantations.

Omukazi W'Omutima

While Kishero is calling for support from UCDA, Consolata Tumwesigye, the Executive Director - Omukazi W'omutima a coffee farmers Organisation in Kanungu district is all praises for UCDA. The Women-Led Agribusiness Social Enterprise supports over 30,000 smallholder farmers/ households in South Western Uganda.

According to Tumwesigye, the organisation supports farmers along the coffee agribusiness value chain to increase household income, increase food and nutrition security and environmental protection, of which coffee and beans are flagship enterprises.

How she started



A farmer belonging to Omukazi W'Omutima in Rugyeyo receiving a cutting saw from UCDA.

Through documents authored by Tumwesigye, her organisation started its operations in 2017 with support from USAID under CPM Activity's 'Every Tree Counts' model. In 2020, USAID again offered extension service in 4 Sub-counties of Kirima, Nyanga, Kihanda and Kihhi, reaching farmers into coffee production.

Although farmers were earning some money from coffee, and food items like bananas and beans that had been intercropped with coffee, they were battling challenges such as pests and diseases, fake agro-inputs and middlemen who would offer less for more.

UCDA supports

With the above challenges in mind, Tumwesigye sought support from UCDA to help farmers manage the challenge, to increase production and productivity.

That is when UCDA started supporting the organisation through the provision of fertilisers to help rejuvenate older coffee trees for enhanced production. For example, in the first quarter of 2019, We approached UCDA seeking support for

coffee-related fertilisers, for farmers to improve the productivity of their soils.

In response, UCDA offered approximately 500MTs of Ferti-Plus organic fertiliser to Kanungu District. Further UCDA provided intervention guidelines and signed an MOU with Omukazi W'omutima and Kanungu District Local Government to facilitate the detailed implementation process.

This was accompanied by the Stumping and Fertiliser Application ToT training by UCDA for extension workers and Village. The aim of the training was for extension workers to make sure that the gardens have been stumped and cleaned, ready for fertiliser application.

Because ToTs or extension workers are field-based, they were tasked to ensure that farmers stump and clean their gardens before receiving fertiliser.

Although the exercise was briefly interrupted by the outbreak of COVID-19, most of the activities continued throughout the lockdown.

While Tumwesigye is happy with UCDA,



she still believes that there is an urgent need for follow-up extension support to all farmers who received the fertiliser at the household level to monitor if the fertilisers are being applied the recommended way, how to manage plants after stumping, when to prune, sucker selection, bending, pruning, pests and disease management, water management among others.

While women like Kishero and Tumwesigye have already embraced coffee farming as a business, Civil Society organisations such as the International Women Coffee Alliance are pushing for the involvement of more into the coffee agribusiness value chain.

Dr Maggie Kigozi, a farmer and member of the Alliance is entrenched down to the district level, where committees exist to handle the challenges of women participation in the coffee agribusiness sector.

In Uganda, 80% of total agricultural output relies on the effort of women, who contribute a higher-than-average share of total crop labour.

However, the narrative is slowly changing, especially in the coffee sub sector, as more women not only work on the farms but have also gained control and confidence in steering the sub sector to heightened growth.

According to Kigozi, although land in Uganda is still seen in some instances as a man's asset, where the eldest man in the family does not like to cede control over land decisions to women, slowly, women are gaining the much-needed control and getting out of poverty.

She however calls for research in areas women-friendly mechanized services to provide labour in addition to pests and disease not only affecting coffee but other crops to help women progress in agriculture

"The coffee market is also readily available both locally and abroad, so this is encouraging many women to invest in the crop. For instance, some of us have invested in the coffee processing

business, and this is pushing our aggregate investment up," she says.

She added that financial institutions have also increased their lending appetite to women-owned businesses, including those in the coffee value chain, although the interest rates are still high.

Using this money, Dr Kigozi says, the women have invested in the coffee value chain, and are using the proceeds to lift their households out of poverty.

Additionally, women have formed organisations through which they export coffee. For instance, women now export coffee through their organisations under NUCAFE to buyers interested only in women farmers and organisations in Africa.

Joseph Nkandu, the National Union of Coffee Agribusiness and Farm Enterprises executive director is still demanding a national coffee law to address certain aspects such as attracting youth and women into the sector. ■



"Research in areas women-friendly mechanized services to provide labour in addition to pests and disease not only affecting coffee but other crops to help women progress in agriculture."

Dr Maggie Kigozi, Coffee Farmer

"UCDA supported us through the provision of fertilisers to help rejuvenate older coffee trees for enhanced production. For example, in 2019, We approached UCDA seeking support for coffee-related fertilisers, for farmers to improve the productivity of their soils."

Consolata Tumwesigye, Executive Director - Omukazi W'omutima



Kaganda realises her dream from coffee farming

Ten years ago, Shakira Kaganda and her husband decided to invest in coffee farming to find a steady source of income for their children's school fees. The mother of three and six dependants adds that with coffee, one can earn instant cash.

The decision was further informed by the fact that the crops that were already on the piece of land like bananas were always affected by the unstable prices, and yet they used to invest a lot in banana production.

Hence, the decision to go for coffee farming.

On average the Kaganda's harvest 1,200 bunches of matooke monthly, but these are affected by not only inconsistent but also low prices; And yet there are no storage facilities for bananas, she adds.

"We were growing bananas, but always had challenges with the market. At the time of harvest, there were more bananas in the market, with a bunch that would have fetched us UGX 20,000, going for as low as UGX 5,000. We wanted a crop that was long-term but also more rewarding and coffee came became the choice for us," recalls Kaganda.

The idea of investing more in coffee than bananas in Harugongo, Mugamba Village, in Fortportal, was actualized with the free coffee seedling that UCDA was giving out, through its campaign of increasing coffee production.

"We started with free seedlings from UCDA, and later bought more to cover the 10 acres of land we started with. Even though Coffee takes about three



Shakira Kaganda harvesting coffee.

to four years for one to start earning from, we did not abandon bananas growing. We intercropped coffee with bananas which we still sell and also consume at home," adds Kaganda.

The couple does not regret their decision to engage in coffee production. They now employ some youth, who not only handle farm issues but also support the Kagandas in value addition.

To celebrate their newfound cash cow, the couple harvested their coffee for the first time in 2019. "We were happy with the quality because it scored highly in the coffee specialty test in the first harvest, that gave us the moral to grow more coffee," Kaganda said.

She added that her coffee scored just over 83% which makes it a specialty coffee, a success she owes to Uganda Coffee Development Authority that she said supported the farm through their journey to date.

"We were able to get a good harvest because we got seedlings from certified UCDA nursery operators. We are very grateful to UCDA for all the advice and assistance they have given to us," she added.

Kaganda says she got some of the tips from UCDA that enabled her coffee to qualify for specialty coffee. "Because of UCDA's advice, we make sure we wait for our coffee was to wait for the coffee beans to ripen before harvesting besides following good agronomic practices.

She explained that coffee roasting, grinding and packaging takes place on the farm, in addition to the processing of the green beans, that are sold to other processors.



The farm intercropped matooke and coffee.



Although there are challenges, Kaganda can be described as a successful coffee farmer. Her 100 acres farm has coffee, bananas and apiary.

Marketing

In terms of marketing, Kaganda said that there is not so much support especially for women into specialty coffee to access the market. Current consumption of coffee is still low at between 4 to 5% and yet it takes a lot of time and patience at every stage of

production for one to get good yield that meets the qualities of specialty coffee.

"For you to come up with specialty coffee, you need a lot of time, starting from the harvest, all the way to the final product, but that market is still lacking, and since its mainly the women into this kind value chain, UCDA should intervene and link us to buyers of specialty coffee," Kaganda appealed.

They are also faced with the challenges of pests and diseases, lack of market for specialty coffee which she is engaged in among others.

Although there are challenges, Kaganda can be described as a successful coffee farmer. The commercial farm, as she describes it is seated on 100 acres.

UCDA responds

David Katungi, UCDA's Director of

Strategy and Business Development, agrees with Kaganda. He says that the international market for specialty coffee is not as big as that for general coffees. However, there are countries considered mature markets especially in Europe, that have the money for this kind of coffee and are willing to pay irrespective of the price because of the special attachment to that particular coffee.

Katungi adds that some buyers want to know how the coffee is produced, where it is produced from, and who is involved. Some want to support vulnerable groups like women, youth involved in that particular coffee production and also if production methods of coffee are friendly to the environment, and of course quality.

"So, these markets have reached a level where consumption of coffee is no longer about price, but the special attachment they have with and are willing to pay," Katungi said.

He added that if there are some farmers in the production of specialty coffee, having market challenges, UCDA plans to group such farmers for capacity building in the various requirements for specialty coffee trade to solve market access issues because it is easier done in groups.

Diversification

Mugamba Integrated Farm farm grows coffee for commercial purposes and also act as windbreaks against strong winds, bananas for both food and cash crop and apiary whose products can be sold or used at home, according to Kaganda.

For Apiary, she explained that they have close to 200 beehives that not only produce honey but also beezee wax and honey combs. Earnings from these projects support the farm in terms of



Honey harvesting.



Harvesting red ripe cherries.

salaries for the workers, pesticides, and the day-to-day running of the business.

Despite the challenges, Kaganda remains positive. She also wishes to see more women engaging in coffee farming to boost their incomes.

With Fort Portal being turned into a tourism city, she expects that they will

soon realise their dream of conducting coffee tourism at the farm.

Planned activities that will attract tourists on the farm include coffee roasting, harvesting, planting in addition to taking a tour of the city accompanied with stories of the culture, beauty among others, added Kaganda. ■



7

COFFEE TOURISM

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR



The Kisoro coffee experience: UCDA officials share a cup of coffee with Peter Harela, the proprietor of Kisoro Organic Coffee Ltd. Travelers come from all over the world to enjoy a cup of coffee in his home.

How coffee can be positioned as a tourism crop

Coffee is one of the strategic commodities identified by the Government of Uganda through its National Development Plans, that will drive the country into a middle-income country.

Although the crop is already earning the country good money, sector players, believe that promoting the crop for tourism will earn Uganda an extra income. Other sectors highlighted include tourism, oil and gas, and agro industrialization.

In line with the mission of facilitating the increase in quality coffee production, productivity, and consumption, the Uganda Coffee

Development Authority (UCDA) exported 6.55 million bags of coffee worth US\$ 657.23 million in October 2021, compared with 5.41 million in the same period last year, earning US\$ 513.79 million.

According to Joseph Ruhakana Taremwa, the CEO of the Agrotourism Association, the entire coffee value chain, if well packaged can result in an experience that can be promoted as a tourism product.

For example, a tourism package for a potential tourist should include coffee planting, harvesting, processing, roasting, pounding, and grinding using locally made morta. Tourists can also engage in coffee packaging using locally available materials such as banana fibre and consumption also in traditional coffee drinking cups.

Such a package should have a provision for tourists to plant their coffee trees, that they can monitor

while in Uganda or back to their home countries. Such an experience will force a tourist to come back like three times a year, along with two others to be part of the growth process of coffee.

In the process, one tourist will have paid a farmer, tour guide, transporter, earned the country foreign incomes through tourism visas among others, hence qualifying the crop as a tourism product.

Stakeholders are promoting coffee tourism as an experience, Musa Kakande, a promoter of coffee tourism believes in the movement of coffee lovers to the actual places where different activities in coffee are carried out.

Coffee tourism in Bugisu

The Mt. Elgon and Sipi region in Eastern Uganda is a famous tourist destination today. The area is characterised by the steep slopes of Mountain Elgon and its famous 40sq. km wide Caldera.

Mt. Elgon not only has one of the largest surface areas of an ancient extinct volcano in the world but its lower slopes are also littered with gorges, caves, cliffs and magnificent waterfalls - most notably Sipi falls.

As one approaches these places, they go through the many coffee plantations intercropped with bananas. This has prompted many farmers/ farming groups like the Mt. Elgon Coffee and Honey Cooperative to embrace coffee-tourism.

The cooperative that works with coffee farmers from Bududa, Manafwa, Sironko, Bulambuli, Kapchorwa among others is already promoting the coffee experience among local and international tourists who frequent their premises.



Although the coffee is already earning the country good money, sector players, believe that promoting the crop for tourism will earn Uganda an extra income.

Rogers Wasibi, the General Manager of the cooperative, adds that they link tourists to coffee farming communities with a story to tell. He gave an example of a coffee farming group in Bududa district, that grows coffee in a place believed to be the birthplace of fireflies.

The group, that calls itself Bushimwemwe (the local name for fireflies) markets their coffee to tourists, by telling stories about the fireflies. As tourists listen to the story, they get more interested in the coffee, adds Wasibi.



Wasibi adds that such stories are accompanied by the consumption of locally grown foods in the region like malewa (edible bamboo shoots) and learning about the cultural practices, like male circumcision, and female circumcision if they moved a step further to Sebei region among others.

Wasibi adds that such an experience has resulted in improved quality of coffee because the consumer (in this case a tourist) interacts with a farmer and advice on the type and quality needed.

Coffee tourism in Kisoro

Arabica coffee production is dominant in the southwestern districts of Kisoro. This mountainous area is rich with acidic volcanic soils; and fruit flavours which improve the quality of the coffee beans produced in that area.

While on a coffee tour in Kisoro, selected farmers take tourists through all the stages till the roasting stage. While enjoying coffee, one gets the opportunity to meet the mountain gorilla population, and other wild animals like monkeys, baboons including the flora and fauna. One also gets a chance to enjoy the misty Virunga mountains.

Peter Harera, is one of the farmers, who has started earning from the coffee tourism experience. Located in Chintare village, one kilometer away from Kisoro town, he on average receives 20 tourists a month although this was briefly interrupted by the COVID-19 pandemic. While at his farm tourists learn about coffee; each parting with UGX 15,000 per day.

So what happens at the farm?

Harera explained that when tourists visit his tourism site, which is also his home, they are taken through the entire

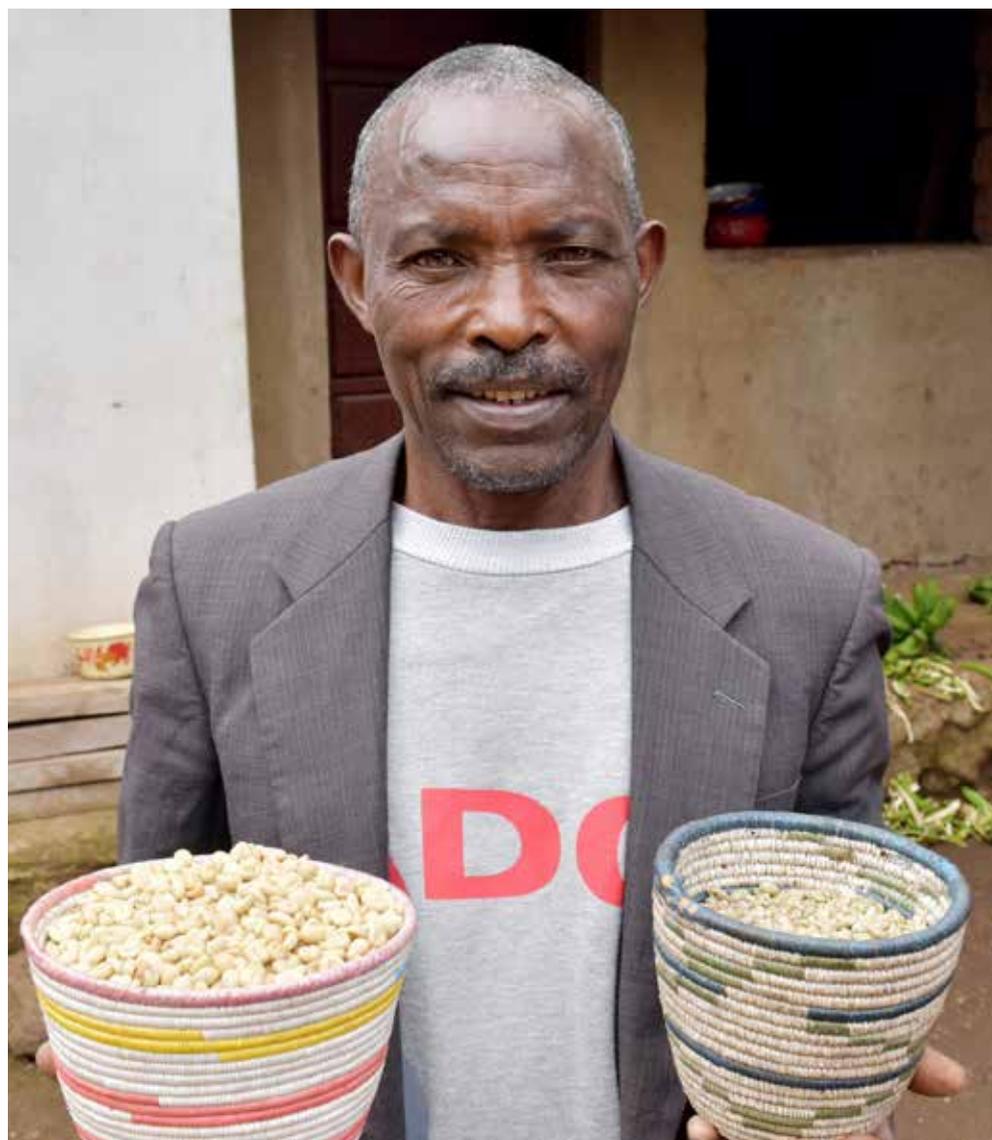
process of coffee growing to the cup, using indigenous methods of processing like washing, winnowing, pounding, roasting, grinding till one gets a fine powder, ready to drink. The roast is carried out in three forms i.e. Light, medium, and dark roast, added Harera.

"When they come to my home, I take them through the whole process of growing coffee from the nursery to the cup. We prepare a nursery bed together, transplant together, do the pruning, harvesting, pulping and processing using the locally available methods. For Arabic, wet processing

is done with the visitors, till the time of drinking the three cups of light, medium and dark roast," explained Harera.

Queen Elizabeth National Park

In this area, coffee plantations are located between the national park's buffer zone and the community farmlands; the farmland has more than 1,500 Arabica and Robusta coffee plants. Just like in Bugisu and Kisoro regions, a tourist whether domestic or foreign witnesses communal processing and testing of the harvest. ■



Peter Harela, displays his coffee.



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A COFFEE CULTURE IS TAKING ROOT

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR

Coffee consumption is on the rise

Coffee shops in Uganda's urban centres have become meeting points for both casual and business meetings. Indeed, it has become trendy to discuss pertinent issues while sipping a cup of coffee at the coffee bar.

For the growing middle-class in Uganda, meeting for a cup of coffee is a fashion. For such a class, they always look out for meeting points for coffee.

Hence, the mushrooming coffee drinking joints range from high-end places such as Sheraton Hotel Kampala, Serena Hotel, Café Javas, Fasika in Kabalagala and Elgon Terrace in Mbale City or Travelers Inn in Fort Portal.

A cup will go for between UGX 5,000 – UGX 20,000 served with cookies. Thanks to UCDA for promoting the beverage on the domestic market. Such are some of the initiatives that UCDA is advocating for so as to increase consumption.

To further consolidate the initiative, UCDA organises training for primary processors, barristers and brewers, quality controllers and university students to equip them, with skills in promoting coffee consumption.

Currently, Uganda domestic coffee consumption stands at 533,000 60 Kg Bags per year and the provisional per capita consumption is at 1.4 kg according to UCDA.

UCDA has also increased awareness of the benefits of coffee consumption and helped with the development of growing brands dealing with coffee.

The authority also promotes domestic coffee drinking through local coffee events, cake fairs and supported education institutions to host coffee awareness days as well as trained university students in agronomy, roasting and cupping at UCDA Lugogo Laboratory.

Promoting domestic coffee consumption

Gerald Katabazi is a director at VOLCANO coffee. He has been running the business for the last 14 years. Before that, he worked with Café PAP. According to him, the consumption of coffee then was too low compared to today.

He attributes the low consumption to the rudimentary processing methods of coffee and lack of skilled labour.

Domestic Coffee Consumption

Currently, Uganda domestic coffee consumption stands at 533,000 60 Kg Bags and the provisional per capita consumption is at 1.4 kg according to UCDA.



A coffee lover enjoys a cappuccino.



Gerald Katabazi, the Chief Executive Officer of Volcano Coffee cafeteria, prepares to make coffee. Katabazi is keen on promoting coffee consumption in Uganda.



Boasting Coffee Consumption: Josephine Aloyo, a barrister trained by Inspire Africa, serving guests coffee at a mobile Tuku Tuku cafe.

"In the '60s and '70s coffee was being processed the informal way, there were no good roasters or brewing equipment besides, they were outdated, hence the low consumption then," Katabazi explained.

He explains further that, in present times, the trend has changed, with an increase in technology. "We are investing in technology like the use of modern roasters coupled with training of primary producers of coffee beans so as to produce quality beans," he added.

"In terms of quality, we work with farmers to make sure that the beans that will be roasted are not diseased, are properly dried, clean and are given time to mature so as to get the best coffee," he explained.

"At brewing stage, we are not taking chances, we as VOLCANO coffee are investing in continuous training of roasters, putting in place Standard Operating Procedures coupled with feedback surveys," he added.

With the above initiatives, Katabazi believes that domestic consumption will increase from 2% 14 years ago to 7% today due to accelerated good practices.

Despite the progress registered by VOLCANO coffee, Katabazi is calling for investment into skilled labour especially for people adding value to coffee so as to have quality ready to sell coffee in Uganda, before selling abroad.

Countrywide sensitization campaign

Katabazi's views are not too far from Yusuf Nsibambi, the Proprietor of Gator's Café on Masaka road. Nsibambi believes there has been an increase in domestic coffee consumption but at a level that Ugandans should not be proud of.

According to him, there is still a need for a nationwide sensitization campaign to encourage people to get involved in especially value addition of coffee.

"When they learn the value of coffee away from the garden, there will be an increase in production, farmers will have an assured market of the coffee beans and household incomes will increase. That also means we in the market will have a constant supply of good quality beans," said Nsibambi.

For those having coffee drinking outlets, Nsibambi said they still lack genuine suppliers of good coffee equipment like brewing, roasting among others, that can churn out instant coffee for consumption in a short time.

This has been made harder with limited skilled labour or barristers, roasters. "We again have a challenge of human resource, where a few



Sensitization: UCDA officials serve coffee to MPs and Parliament staff. Sensitization campaign encourage people to get involved in coffee especially value addition.

that are trained on the job are easily poached, they find their way to the Middle East, so there is lack of stability in terms of human resource to run these outlets," added Nsibambi.

Despite the challenges, Nsibambi said there is a growing demand for Ugandan coffee both by Ugandans and tourists.

He gave an example of his outlet on Masaka road, and that of his neighbour, Endiuro coffee that is frequented by tourists daily, demanding coffee. His appeal to UCDA is to supply those operating coffee outlets with quality coffee dispensers, to increase consumption.

The above are examples of initiatives by the private sector aimed at increasing domestic coffee production and consumption.

Other private sector players in the same field include Nelson Tugume from Inspire Africa, who believes that the promotion of domestic coffee consumption calls for the involvement of women and youth along the value chain.



"There is still a need for a countrywide sensitization campaign to encourage people to get involved in especially value addition of coffee".

Yusuf Nsibambi, Proprietor Gator's Café



"Empowering youth with skills in coffee processing and marketing will increase consumption".

Nelson Tugume, Inspire Africa

According to Tugume, empowering youth with skills in coffee processing and marketing will increase consumption; adding that his organisation, working with partners like the Mastercard foundation, and private sector foundation, have developed packages to draw the women and youth closer to coffee.

For youth, they have introduced tricycles through which they can sell coffee from place to place at UGX 2,000. So far 6500 youth, 35% of which are women have embraced the coffee vending business.

And because the initiative is to encourage youth to embrace coffee not only for consumption but as a source of income, Tugume says they will support some to acquire the tricycle which goes for between UGX 5 to UGX 8 billion.

Benefits of domestic coffee consumption to Uganda

To Ugandans, increased domestic coffee consumption means more jobs for the youth who will be setting up coffee shops at different points in the city, it is estimated that 60% of youth are unemployed according to the Food and Agriculture Organisation (FAO).

Domestic coffee consumption means increasing production so Uganda can increase coffee exports which according to figures from the Uganda Coffee Development Authority, increased from 3.56 million bags in 2015-2016 to 4.17 million 60kgs in 2018-2019.

Away from economic benefits, coffee, according to the executive director of the NUCAFE, is good for one's health, keeps one alert and also helps in checking the condition of the heart. ■



Better still coffee consumption reduces the risk of cancers which are becoming very prevalent in society. One study has proved that coffee may decrease the risk of developing prostate cancer in men by 20%, and endometrial cancer in women by 25%.

Coffee drinking: A sure deal for healthy living and tangible benefits

Beyond cultural norms, drinking coffee has some physical condition benefits associated with healthy living. Coffee boosts your physical performance, as a cup of black coffee sipped an hour before a workout can improve performance by 1,112%. This is because caffeine increases adrenaline levels in the blood. Adrenaline is the body's "fight or flight" hormone which helps one to prepare for physical exertion.

In times when obesity is on the increase in society, coffee comes in handy to help many lose weight. This is because coffee contains magnesium and potassium, which substances help the human body use insulin, regulate

blood sugar levels and reduce your craving for sugary treats and snacks.

Coffee also helps one burn fat as caffeine enables fat cells to break down body fat and use it as fuel for training.



Often, students opt to take coffee when going to prepare for examinations, and by coincidence, it helps them focus and stay alert.

Regulated at an intake of 1-6 cups a day, it enables consumers to focus and improves mental alertness.

Studies have shown that coffee consumers' overall risk of premature death is 25% lower than those who do not sip coffee.

Better still coffee consumption reduces the risk of cancers which are becoming very prevalent in society. One study has proved that coffee may decrease the risk of developing prostate cancer in men by 20%, and endometrial

cancer in women by 25%.

It is further stated that reasonable consumption of coffee (2-4 cups a day) is also associated with a lower risk of stroke.

As if that is not enough, coffee also reduces the risk of Parkinson's disease. Studies have shown that regular coffee drinking decreases the risk of Parkinson's disease by 25%. There is evidence that coffee causes activity in the part of the brain affected by Parkinson's.

Researchers say coffee contains antioxidants that work as little warriors fighting and protecting against free radicals within your body.

Finally, caffeine decreases one's insulin sensitivity and impairs glucose tolerance, therefore, reducing one's risk of Type II diabetes. This is in addition to adding caffeine levels in the blood to reduce one's risk of suffering from Alzheimer disease.

Coffee also lowers the risk of dementia by lightening one's mood and consequently improves the moods in order to fight depression and lower the risk of suicide. This is by stimulating the central nervous system, besides boosting the production of neurotransmitters like serotonin, dopamine, and noradrenaline, which elevate the consumer's mood. Two cups of coffee a day prevents the risk of suicide by 50%.



Coffee and culture: The changing trends, the practice of chewing berries

It is a common occurrence during Kukyala/Okwanjula (traditional wedding ceremonies) in Buganda for the guests to be welcomed with a small basket of fried coffee berries wrapped in triangular banana fibres.

This has been part of the Ganda culture for centuries, and over time, has spread to other places such as Busoga.

"This practice is known as okutaomukago (having a covenant) of everlasting relationships between the family of the suitor and the bride. The symbolic chewing of the berries is washed down with Olwendo (water) Mwenge Muganda (local beer) and the

conversation ranges from politics to social and economic issues.

This is crowned by ululations or murmurs to the effect of "Karibu" (you are welcome) or "Tusanyuseokubalaba" (glad to see you," chorus. The Senga (aunt) hastens to announce the presence of important visitors in the house who want to become part of the family.

The response from the entourage is "Tunabalabaensanyuka" "(we will prove your happiness soon.

The dress code for the big day is always Kanzu (tunics) for the men and gomasi (frocks) for the ladies. As the guests settle in the seats or mats, a Kibo (basket) of fried and salted coffee berries is served by a pretty lady who submissively goes down on bended knees.

The chewing of the berries is believed to have multiple benefits, with the first being a libido booster capable of energizing even the most docile person. Dull consumers are known to instantly get chatty and witty. But as the intricately woven kibo keeps rotation among the guests, during the Kukyala/Kwanjula, the banter gets louder. Many are humorous, brainy and romantic.

However, in Buganda the chewing of the berries is known as Okulaga Omwoyogwa Seruganda (the commencement of new bondage).

Old habits die hard, goes the old adage. However, even as most cultures are being eroded by Western lifestyles that are glamorized by the media, the conservative Baganda still honour theirs.

"It serves as the ice breaker before gifts, promises of sweet nothings and bargaining commence," notes the CEO of Semagullu Museum in Mutundwe, John Sempebwa. "The climax is often wining, feasting and dancing; as the side of the groom's entourage is tipped that there

are still some other pretty girls in the home who are marriage material."

In his writings, explorer Speke Hannington in 1862 reported having received presents of coffee beans to be chewed as a visitor connected to sacred places and ceremonies. In Sesse Islands are trees that are more than a century old. Besides that, history has it that a coffee consignment was a pioneer cargo on the Uganda Railways wagons in 1903.

By 1911 the first non-African coffee plantations were started with the Arabica species being preferred in



Aware of this coffee's economic potential, the Katikiro (Buganda Kingdom Prime Minister) Charles Mayiga has consistently been advocating for the subjects to plant more trees and harvest money.



the markets. The luxuriant growth in the earlier times showed a good future for the crop in Bugisu. But this blossoming never lasted after diseases reduced the yields. This occurrence gave Robusta coffee grown in Buganda an opportunity to be recognized and compete as an option.

Today Robusta coffee is harvested on the foothills of Mount Rwenzori where until recently it was hard-hulled, winnowed and picked physically. Another producer of Arabica coffee is West Nile.

Besides the cultural importance, Buganda and Uganda as a whole are not being left behind as coffee becomes the most popular beverage consumed across the world statistics

have it that the export performance is on an upward trend.

What is being done?

Given the importance of coffee culturally and economically, the Buganda Kingdom and the Uganda government are sparing no effort to see to it that the growers economically benefit from berries that are now globally consumed in volumes that are only second to water.

Reliable sources have it that 2 billion cups of coffee are consumed every day with its production exceeding 150 million 60kg bags today. Consequently in Uganda, like elsewhere in the world, coffee shops are cropping up everywhere.

Aware of this coffee's economic potential, the Katikiro (Buganda Kingdom Prime Minister) Charles Mayiga has consistently been advocating for the subjects to plant more trees and harvest money.

"Besides the cultural importance of coffee to Buganda," asserts Mayiga. "We should top the commonwealth producer of coffee instead of being ranked the largest African producer and seventh world producer. Coffee contributes 30% of Uganda's total export earnings – plant more trees to fight poverty."

In the same tone, the government is not sparing any effort to improve smallholder livelihoods by boosting the quality and volume of their output. This commitment is seen through the collaboration of the Uganda Coffee Development Authority (UCDA,) the Ministry of Agriculture, Animals Industry and Fisheries and the National Agricultural Research Organization (NARO).



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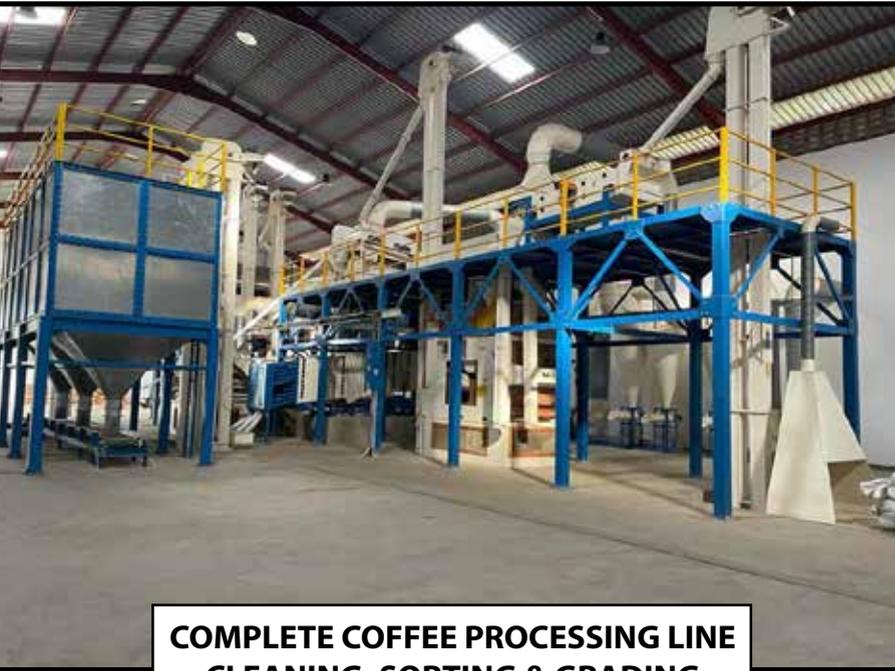
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THE FUTURE OF UGANDA COFFEE

30 YEARS OF SOCIO-ECONOMIC TRANSFORMATION IN THE COFFEE SUB SECTOR

UCDA committed to searching for market for Uganda's coffee

David Katungi is the Director of Strategy and Business Development at UCDA. The department is in charge of formulating strategies for the institution and related policies. It also looks at issues of project development for the coffee value chain, market information and intelligence which handles data and statistics. He shared his thoughts in the interview below on how UCDA is positioning itself to attract market for its coffee while addressing challenges along the value chain.



David Katungi, Director of Strategy and Business Development

Q We are told that coffee is one of the strategic crops that will help Uganda attain the Sustainable Development Goals (SDGs) by 2030. What strategies are in place for Uganda to realise this objective?

A First, the broader perspective is that whatever we do, in UCDA as a government agency, we do it in the framework of the National Development Plan III. It is development was aligned to the National

Development Agenda. So, what we do fits in the NDPIII which development plan is already aligned to the SDGs.

To be specific to UCDA, we have developed a coffee sub sector strategy that articulates the goals, and objectives, strategies and interventions that we are going to carry out in the five years. All our objectives and strategies indicate their contribution to each of the SDGs.

For example, the first strategic objective is to increase coffee production and productivity. When you increase production and productivity, you will have contributed to income generation for the country but also households involved in coffee production, and will have contributed to SDG 1 which is about ending poverty in all forms,

SDG 2, is about eliminating hunger and achieving food security, SDG 5 is about gender equality and empowering women, we do affirmative action for both women and youth. The other is increasing coffee production and productivity, contributing to sustainable agriculture production and consumption patterns among others.

Q When you talk of increasing domestic coffee consumption, how will this action help Uganda attain the SDG goals by 2030.

A Increasing domestic coffee consumption involves many things, for example, we develop the capacity of youth groups to become barristers, roasters, and other

coffee-related activities; and these are youth managing businesses of cafés selling coffee to increase domestic coffee consumption. Beyond the training, we also support them with some equipment to start businesses along the coffee value chain. When they get employment, they get income, hence contributing to SDG1 of ending poverty and SDG 5 of achieving gender equality for women and youth groups.

Q You recently had a survey if the country has embraced coffee production

A Previously, like in the last five years, the number of households that have been involved in coffee production was 1.7 million. The number has increased to 1.8 million, an addition of 100,000 households.

We have new areas that previously did not grow coffee, which is an indicator that more households have joined coffee

production like West Nile, Zombo growing arabica coffee which is more competitive on the world market and also becoming a niche area for producing specialty coffee that earns premium prices. We have parts of Northern Uganda like Lamo and in Karamoja sub-region like Lango and Abim, among others. Beyond the statistics showing the number of households engaged in coffee has increased, we have new areas.

Q Now that there is more coffee being grown, do we have the market? Already farmers into the production of specialty coffee are complaining of lack of market?

A Yes, internationally, the market is not as big as that for general coffee. But there are countries that we call mature markets especially Europe, who are willing to buy specialty coffee as long as it meets their tastes and interests. Some want to know where the coffee is produced, who is



Coffee cupping at Ministry of Foreign Affairs.



David Katungi hosting Russian investors interested in buying Ugandan Robusta coffee to produce instant coffee.

involved in the production of coffee because some buyers want to support women and youth. They also want to know if the production methods of coffee are friendly to the environment, in addition to quality.

But for farmers still struggling with markets, there are interventions we are carrying out as UCDA. One of them is to organise these farmers into cooperatives to solve the individual search for markets, it is easier done in a group like cooperatives so it is one of the areas we're investing in to develop the capacity in cooperatives different coffee trading aspects.

Q Now that you are in partnership with China, are there plans to introduce new varieties of coffee to the new markets?

A I want to believe that we already have a presence in China, we have established a promotional office in Guangzhou, we have developed a

coffee promotion strategy focusing on China, called Uganda Coffee promotions strategy for China. The strategy has analyzed the China market, looked at the market penetration, tastes and preference but also entry requirements for us to be able to promote coffee in China so the strategy articulates all those things that we need to know.

Currently, we are exporting the green beans to China, but through this analysis, there are markets for coffee powder, ready to drink coffee, instant coffee. All these are potential areas that we can exploit as a country to see that we diversify our coffee products to penetrate the Chinese market.

As a country, we are thinking of investing in a soluble coffee plant, which is a tertiary processing factory that turns the green coffee beans into instant ready to drink coffee. We're investing in roasters to cater for all buyers.

Q Any other countries UCDA is looking out for?

A There are a number of emerging markets, that we are looking at beyond China. Currently, most of our coffee goes to European countries with Italy as the highest importer of our coffee. But these are what we call mature markets. The implication is you do not expect the market to grow. Our attention now is on what we call emerging markets. Beyond China, we are looking out for Asia, Russia, the Middle East and now UAE is becoming a major market, and that is why we are participating in the Dubai expo. In Africa, there is an emerging market in Northern African countries such as Algeria, Morocco, Sudan. We see increasing volumes of coffee going to those markets.

Q Given all the planned interventions, how do you plan to address the issue of smuggling Ugandan coffee, on its way to

Mombasa port?

A Okay we have been confronted with this challenge, but haven't quantified it. We are addressing it through sensitization of farmers and the community. Smugglers buy coffee when not very ready. Although they seemingly give a good price, it remains lower compared to that earned if the coffee was well prepared.

So, we are sensitizing farmers and communities to understand that when coffee is smuggled, we all lose. We are also working with security in mainly Eastern around Elgon region, where most cases have been reported. We are working with, RDC offices, local government to make sure that they do surveillance of our porous borders.

The government is working on the provision of scanners at URA because some reports show that more coffee is smuggled through designated border points but disguised as other goods. Without scanners, you cannot know much, so there is government effort towards that direction

Q In summary, how can your strategies ensure that Uganda

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Previously, like in the last five years, the number of households that have been involved in coffee production was 1.7 million. The number has increased to 1.8 million, an addition of 100,000 households.

exports only processed coffee?

A I wouldn't look at exporting only processed coffee, given the dynamics in the market. Some markets are difficult to access, and these like Germany, which imposes higher taxes on processed products being imported into their country and eat up all the profits. However, we are working on ways through which we can balance, exporting unprocessed coffee like the green beans but also processed like instant coffee, once the soluble plant is

installed for production to take off.

Q And finally, as UCDA celebrates 30 years what is your message?

A We are excited as an Institution not just getting to 30 years but looking at the trend where we are going. We are seeing increased production from around 3.5 million bags in 2014 /15 to producing about 8 million bags which is a big step. We are seeing increased exports, in the region of 6 million almost getting 7 million, we see more enthusiasm, and more Ugandans joining coffee production. But that brings challenges, of moving faster to secure more markets in addition to promoting domestic coffee consumption.

We cannot rely on external markets alone because international coffee prices are volatile which affects farmers but if more is consumed at home, we stabilize prices and are able to pay farmers. Those are challenges that this success brings but prepared as UCDA to take them on. There are lots of investments in those areas, by 2025 we shall have realised the target of producing 20 million bags annually. ■



Uganda Coffee Day: The cross country event was organised to promote Uganda coffee in China.

The way forward: set up a soluble plant, explore new markets

Over the years, coffee production has continued to grow, posting 5.56 million 60 bags worth US\$ 511.21m between March 2020 and February 2021, according to the Uganda Coffee Development Authority (UCDA).

According to Emmanuel Iyamulemye Niyibigira, UCDA Managing Director, the coffee Authority is, however, still focusing on reducing post-harvest losses by 50% across the coffee value chain, to increase volume and quality.

UCDA is also pursuing efforts to expand the area under coffee production by 15 per cent over the medium to long-term, as well as the yields per tree from 550gms to 880gms.

To do this, Iyamulemye says UCDA is focusing on research and development, investing in efforts to increase coffee

sub sector players' access to market information, and increasing volumes of direct exports by 29 per cent.

Additionally, UCDA has moved to promote Uganda as a global centre of excellence for Robusta Coffee and increase domestic consumption as well.

There is also a focus on the export of roasted and ground coffee, instead of the raw beans, to fetch a higher return for both the farmer and the state.

According to Iyamulemye, the farmers should form cooperatives at this time to get direct access to the markets, for then, they would enjoy the economies of scale.

Over time, the Authority has been training stakeholders in good roasting, brewing practices and machine maintenance, in addition to ensuring standards development and compliance for roast and ground coffees.

"We are also providing motorized washing stations, and training in wet processing and drying techniques, and we already have demonstration centres for wet processing techniques," he says.

UCDA is also focusing on promoting high-quality specialty and fine coffees since they fetch a premium price on the global market, as well as commercial coffees for the average consumer.



Showcasing Uganda coffee at the Dubai Expo 2020.

"In the next five years, we want to see coffee exports reaching 20 million bags. We want to phase out the distribution of seedlings and focus on productivity per tree. We also want to see Ugandans appreciating a cup of coffee and the consumption moving from the current 6 per cent per capita to 15 per cent," Dr Iyamulemye says.

It is known that Uganda, like many other developing countries, suffers a huge trade deficit compared to the developing and first-world nations.

To reduce the gap, the country is partly banking on coffee and has just completed a coffee promotions strategy for China, looking at how Ugandan coffee can penetrate the Chinese market.

With this, the Uganda Coffee Development Authority is currently looking at ways of supporting the private sector to penetrate the Chinese market.

The authority is also discussing with China to have preferential treatment in a market of 1.4 billion people, such as export quotas, which could quintuple the volume of coffee exports over the next five years.

While that may sound ambitious, it may be achievable thanks to the surging demand for coffee in China's largest and wealthiest cities.

China's coffee market is estimated at US\$ 11.5b in annual sales and is expected to grow by 10 per cent in the next five years. Additionally, Coffee consumption in China is growing at between 15 per cent - 20 per cent annually. It is also Starbucks' second-largest market after the United States of America.

With the increasing volumes of organically grown coffee, Uganda has an advantage over other African countries



In the next 5 years, we want increase coffee exports to 20 million bags. We also want to see Ugandans appreciating a cup of coffee and the consumption moving from the current 6 per cent per capita to 15 per cent.

Dr Emmanuel Iyamulemye Niyibigira, Managing Director - UCDA



to capture the China coffee market.

Coffee is by far Uganda's most important export as it generates 20 per cent - 30 per cent of the country's foreign exchange earnings.

The soluble plant

Globally, the soluble coffee market is growing each year as consumers of specialty and fine coffees increase, forcing an increase in production and innovation.

President Museveni has in the past, also criticised the export of raw materials, saying that with each export, a multitude of jobs are lost as well.

In response, UCDA has made several efforts to set up a soluble plant to process Uganda's beans before they are exported.

However, to date, no physical plant has been erected to process the beans, due to several challenges.

"We have, however, found a way around this, and now we are working with the Uganda Development Corporation (UDC) to put seed money to attract investors in that space. Very soon we shall launch it," Iyamulemye says.

He says, as the country moves to add value to the coffee beans, farmers' incomes are also increasing and could grow 70 per cent if they traded in graded coffee.

He says Uganda is capable of earning gross revenue of US\$ 15 from every 3kg of green coffee after it has been processed into instant coffee, compared with only US\$ 1.5 when exported in its raw form.

According to Iyamulemye, UCDA's dream is to see Ugandans walking on the streets and in villages feeling proud to be involved in the coffee value chain.

Coffee is grown and exported by more than 50 developing countries, but the major consumers are in all industrialized countries such as the US, EU and, more recently, Japan.

The country is also promoting the growing of organic coffee, which fetches better prices on the world market.

Organic coffee is grown without the use of fertilisers and pesticides, and so is perceived as healthier and thus fetches a better price. More than 1,000 tonnes were exported last year and fetched a price of US\$ 300 per tonne. ■



YCE after meeting with then Prime Minister Dr Ruhakana Rugunda and Prof. Ezra Suruma.

The Uganda-China coffee Promotions Strategy

In 2019, a team from the Chinese Yunnan Coffee Exchange were in Uganda on a fact-finding mission on how to work with Uganda Coffee Development Authority to get Ugandan coffee in China.

Trade with China

By 2020, Uganda exported 3,800 60kg bags of coffee to China, which proved the readily available market of Uganda's coffee in China.

Although there were some hesitations if there was a market for Uganda's coffee, UCDA through its market intelligence and information systems learnt that China was one of the emerging markets for coffee from Uganda.

By 2020, Uganda exported 3,800 60-kg bags of coffee to China, which proved the readily available market of Uganda's coffee in China.

Formulation of Uganda China Coffee Promotions Strategy

To further strengthen the market and also widen it, the coffee regulator decided to formulate the Uganda-China coffee Strategy to better understand the market to package coffee products for different interests.

"As a way of making us focused, better promote coffee, we have developed a coffee promotion strategy focusing on China," said

David Katungi, the UCDA Director Strategy and Business Development.

The strategy has analyzed the China market, considered market penetration for Uganda's coffee, what is required, tastes and preferences, structures in place for Uganda to market her coffee in China among others added Katungi. In addition to the strategy, Katungi explained that they have established a promotion office in Guangzhou.

Potential coffee products needed by China include green beans, and recent analysis reveals that there is also demand for coffee powder, ready to drink coffee, instant coffee among others. He added that as a country, the plan is to establish a soluble plant that will carry out tertiary processing of coffee to produce ready to drink coffee products.

To that effect feasibility studies are ongoing and these are likely to be established in



some of the industrial parts, that are spread across the country.

Another initiative to further market Uganda's coffee is that UCDA's plan to invest in coffee roasters that will be given to upcoming coffee roasters especially the youth who are selling coffee locally through cafés and coffee shops that are being established in almost all urban centres.

Although the regulator is now more focused on emerging markets such as China, UCDA is also stepping up quality parameters, to ensure that those considered mature markets like the European market especially Italy, that have been importing Uganda's coffee continues.

"The EU market is considered a mature market. You do not expect more expansion in consumption, our attention is on emerging markets, we are looking at beyond China like Asia, Russia, the Middle East, UAE and that is why we are participating in the Dubai expo. Through these exhibitions we shall be in a position to attract more buyers of our coffee," Katungi said.

Other emerging markets include those from North Africa such as Algiers, Morocco, Sudan, Egypt, among others. Apart from foreign markets, UCDA has embarked on the promotion of Uganda's coffee within the country, through domestic coffee consumption campaigns.

The aim is to not only consider foreign markets, as these are easily affected by price fluctuations which might affect payments to farmers.

This is being enhanced with the capacity building of youth and women groups, to become barristers, coffee roasters, who are now running most of



Uganda-China coffee Promotions Strategy has analyzed the China market, considered market penetration for Uganda's coffee, what is required, tastes and preferences, structures in place for Uganda to market her coffee in China.

David Katungi, Director Strategy and Business Development - UCDA.

the coffee shops around town, which is also in line with SDG 5, that promotes equity for women and youth groups.

So where is the coffee for export coming from?

A recent survey by UCDA to find out the number of households growing coffee, showed an increase of 100,000



households, bringing the total to 1.8 million up from 1.7 million.

This follows a campaign to increase domestic coffee production five years ago, for the country to harvest 20 million bags annually.

For now, the country harvests about 8 million bags. Apart from the increment in coffee farming households, there are new areas that previously did not grow coffee.

Examples include the West Nile, parts of Northern Uganda including parts of the Karamoja region. Those in highland areas like Zombo are growing Arabica in addition while those in low land areas are growing Robusta.

"Such developments mean more coffee in the country that is why exploring other markets like what we are doing in China will help us market our coffee in addition to the ongoing promotion of domestic coffee consumption," he added.

He also warned that as the institution celebrates 30 years of coffee production, there is an increase in production of coffee from 5 million bags in the financial year 2014 to 15 to the current 8 million, coupled with an increase in exports to 6 million, there is need to prepare for emerging challenges such as higher volumes that will need market, adding that one way of addressing that is through increased campaigns of domestic coffee consumption just as Ethiopia is doing, where it consumes 50% of its coffee and exports the other half.

"So we need to increase domestic coffee consumption because prices are volatile, this time it's a good price next to its bad. And this affects farmers, if they are consuming coffee then we stabilize the prices," he added. ■

PPPs, ICT & coffee friendly policies to consolidate UCDA's efforts in reviving the coffee sub sector

Nina L. Nasuna is the acting Director Corporate Services/Finance Manager at the Uganda Coffee Development Authority (UCDA). She is one of the longest-serving members of the organisation. Nasuna shared with us the journey from Uganda Coffee Marketing Board to the current status of the organisation, which is UCDA.



Nina L. Nasuna - Acting Director Corporate Services/Finance Manager

Corporate Services Department.

Thirty years ago, we did not have a Directorate of Corporate Services, we only had a Department of Finance and Administration as well as the Human Resource Department. At that time, it was called the Personnel Department. The head of that department was the one taking care of human resource issues, and other administrative issues.

Since then, the Authority has evolved as evidenced by our achievements especially through the volume of coffee for export. At one time, we exported only about one million 60kg bags of coffee but now we have moved to about 8 million 60kg bags to date.

Q After realising some growth in the number of coffee bags for export, do you think UCDA has enough human resources?

A We do not have enough staff; we currently have 145 staff and 56 regional staff but also, we have 1.8 million coffee farming households. If you calculate the ratio of staff to the household, the ratio is too wide, as one staff deals with 3,000 households. We are trying to work with the local government and the Parish Development Model with the hope that the ratio can reduce to one staff to 300 farmers. We would like to recruit more staff but we are still constrained by resources. That is why we are still exploring the available models.

Q Have the sources of revenue increased or improved?

A Still 30 years ago, under the

Q Briefly, tell us about the Corporate Services Directorate.

A The Directorate of Corporate Services currently comprises the Finance Department, Human Resource Department, Administration and Management Information Systems Department. We also have the Legal Services Department and



UCDA staff during a training.

administration department, we had the same properties that were and are still our sources of revenue. Some of the properties were transferred to UCDA from the Uganda Coffee Marketing Board.

Two properties are located in Bugolobi including a bungalow at Bazarabusa Drive. In Kololo, there are properties, at Elizabeth Avenue, Windsor Crescent, Baskerville Avenue. The other property is in Ntinda.

The other major source of revenue is CESS, the one per cent charge on coffee exports. However, with the new Coffee Law, moving forward will be deducting 2%.

Other sources include registration fees charged on industry players like processors, roasters, owners of factories and graders.

We also occasionally get money from donors on specific projects like from the European Union. We also get funds from the government to undertake interventions. For example, a few years

ago, we received a directive from the President to ensure that we raise 20 million 60kg bags of coffee by 2025. Such a campaign was financed by the government and the money has been increasing over the last eight years.

Q How then did you start getting funds from the Consolidated Fund?

A In the Financial Year 2014/2015, our status changed from a semi-autonomous organisation to now accessing funds from the Consolidated Fund. Before 2014, we were a semi-autonomous organisation that would generate its own income and spend it at source. But when UCDA became a vote, we had to transfer all the money to the Consolidated Fund.

That meant closing our bank account and only maintaining those accessed by donors. It also meant operating like a ministry, that if you do not generate enough revenue for your activities, you wouldn't work. You had to work hard and ensure that money planned for is collected in time.

On a positive note, it meant that

irrespective of whether we have deposited the money or not, wages would still be released. If government generally does not collect the planned funds, it affects the cash requirements for planned programs like pavements of suppliers, which generates bad publicity for the organisation.

Q In your view, has UCDA done enough to counter negative publicity?

A Yes, but we are still doing more. We have radio programs, webinars, and talk shows where UCDA officials engage the public on ongoing interventions. We are also making use of our website by publishing more success stories as we can. The website also gives up-to-date coffee prices daily. We also have a presence on social media where we engage our stakeholders and also help in countering negative publicity. In addition, we have a call centre where we respond to queries from our callers in time.

Q Any kind of reforms that you think will improve service delivery at UCDA?

A Adoption of ICT is one of the reforms that we are undertaking. For example, our system at the moment is half manual and half digital and we are now trying to upgrade it so that we are connected to the Uganda Electronic Single Window where export documents, procurement and other requirements for export are processed faster through this system that has almost all government agencies and departments on one platform.

We have an MIS system that will help speed up the work, which we are currently working on. Again, it is for digitizing the operations to avoid paperwork. We also want to embrace e-procurement, that is another intervention, which the Ministry of Finance, Planning and Economic Development will start as soon it is ready for implementation.

Q Where do you see UCDA in the next five years?

A Production has increased because of the directive from the President to produce 20 million bags. Exports have



Adoption of ICT is one of the reforms that we are undertaking, for example, our system at the moment is half manual and half digital.

also increased. So, if we are at six million bags, and since more people have planted coffee, I see us nearing the 20 million bags. In terms of revenue, I see us generating more cash, we are engaging many development partners. Again in five years, I see more projects.

One of the projects we are embarking on is the Coffee - Cocoa development project (COCODEV). At the moment we are dealing with coffee, but I see ourselves managing the project.

We already have it, but I think the government is trying to consolidate so as not to have many of these services scattered.

We are also hoping that those proposing mergers will see the importance of coffee and will not take us back to the ministry. If they take us back to the ministry and that is within the five years, remember they have told us that by 2023, that process will be completed and it is within the five years we are talking about, but if it does not happen, then this trend we have been having will increase.

In five years, because we are a development and regulatory agency, it's the technical departments that will have to push us somewhere, production will increase. As production increases, staff support function has to match the technical. So finances will increase and property prices will also increase.

When we have revenue, then we shall have money to further develop the properties. What we are looking at is how we are trying to get PPPs to develop our structures because they are dilapidated. And the trend now, if you go to Kololo residential places have improved. The state they are in we cannot get revenue from them to improve. But one is almost complete while others are in the pipeline.

We are supposed to do a property revaluation every five years. The last one we did, we realised that properties were not making money because of their state. We expect to improve the properties, create revenues and also improve the image of the Authority.

With respect to ICT in five years, we shall have a functioning ICT system that links us to all government web portals. ■



Rauben Kimusya, RCEO - Kisoro interacts with a coffee farmer.

APPRECIATION



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