



Uganda Coffee Development Authority



2019-2020

Annual Report

30 Years of **Social-economic Transformation** in the Coffee Subsector



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ABBREVIATIONS AND ACRONYMS

aBi	Agri Business Development
AFCA	Africa Fine Coffees Association
AGM	Annual General Meeting
ASSP	Agricultural Sector Strategic Plan
BCTB	Black Coffee Twig Borer
BQC	Basic Quality Control
CWDr	Coffee Wilt Disease Resistant
CLR	Coffee Leaf Rust
CURAD	Consortium of University's Responsiveness to Agribusiness Development
DGAL	Directorate of Government Analytical Laboratory
EU	European Union
FAQ	Fair Average Quality
FLO	Fair Trade Labelling Organization
FY	Financial Year
GAPs	Good Agricultural Practices
HR	Highland Ranges
IACO	Inter African Coffee Organisation
ICO	International Coffee Organisation
IGCU	Institute of Corporate Governance
ITC	International Trade Centre
IUBC	Inter University Barista Championship
IWCA	Uganda-International Women's Coffee Alliance-Uganda Chapter
LVC	Lake Victoria Crescent
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MIS	Management Information System
MT	Metric Tonnes
NaCORI	National Coffee Research Institute
NDP	National Development Plan
NESGL	North Eastern Savannah Grasslands

NTOH	National Taste of Harvest
NUCAFE	National Union of Coffee Agribusinesses and Farm Enterprises
NWSGL	North Western Savannah Grasslands
OWC	Operation Wealth Creation
PRAU	Public Relations Association of Uganda
PRL	Pastoral Range Lands
QC	Quality Controllers
RCEO	Regional Coffee Extension Officer
RCTO	Regional Coffee Technical Officers
RITA	Temporary Immersion Bioreactor System in vitro plant culture
SCA	Specialty Coffee Association
SCAA	Specialty Coffee Association of America
SCAE	Specialty Coffee Association of Europe
SSMO	Sudanese Standards and Metrology Organisation
SWFL	South Western Farmlands
TC	Tissue Culture
TDZ	Thidiazuron
UCFA	Uganda Coffee Farmer's Alliance
UESW	Uganda Electronic Single Window
UGC	Uganda Green Coffee
UMA	Uganda Manufacturers Association
UNBC	Uganda National Barista Championship
UNBS	Uganda National Bureau of Standards
UQCPTA	Uganda Quality Coffee Traders and Processors Association
URA	Uganda Revenue Authority
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USS	Uganda Statistical Society
WSGL	Western Savannah Grasslands

Message from Chairperson Board of Directors

During the Financial Year 2019/20, the Authority laid emphasis on achievements of the targets detailed in the National Coffee Strategy 2015/16 to 2019/20.

The Strategy was developed to operationalize the National Coffee Policy passed by Cabinet in 2013. The strategy set out to; provide a clear vision of where the coffee industry plans to be in the short, medium and long term; elaborate the strategies that will be used to achieve the strategic objectives and policy actions stated in the NCP; assign institutions and organisations the roles and responsibilities they will play in the implementation of the strategy; and provide indicative costing for the proposed strategic actions.

I am pleased to state that these targets are on track following the milestones attained by the Authority.

Total coffee production over the period 2015/16 to 2019/20 increased from 4.0 million bags to 7.75 million bags an increase of 94 percent with 128 staff members by June 2020. This increment in production translated into US\$ 496.25 million an increment of 19.5 percent from 2018/19. This has been achieved through increased outreach by the Authority through extension officers, various trainings to staff, farmers and other stakeholders, distribution of better seedlings and fertilisers, among other aspects.

UCDA has participated in various exhibitions domestically and internationally showcasing Uganda coffee and facilitating the industry to secure useful and profitable engagements. This will facilitate increased penetration of Uganda coffee in various markets particularly increments in the specialty coffee markets.



By close of the year, a new National Coffee Strategy 2020/21-2024/25 was being developed in line with the Agro-industrialization programme of the Third National Development Plan (NDPIII).

The strategy will guide the Authority towards achieving its target of achieving 20 million 60 kilo bags per year by 2030.

I would like to recognize the valuable contribution made by the Authority's Board of Directors through exceptional support and direction to management. A thank you to the key stakeholders, management and staff of UCDA for their contribution and continued support.

Perez S. Bukumunhe

CHAIRMAN BOARD OF DIRECTORS

Message from the Managing Director

This Financial Year 2019/20 marked the end of the implementation of interventions highlighted in the National Coffee strategy (FY 2015/16 -2019/20) which were in line with the National Development Plan II and the Agriculture Sector Strategic Plan II.



UCDA is committed to effectiveness and efficiency in providing services to her key stakeholders. This is evidenced from the UCDA clients' satisfaction survey conducted in April 2020 which shows that 83.4% of the clients are satisfied with our services.

These implementations were also in line with Coffee Roadmap that comprises of nine initiatives which include building structured demand with China; branding Uganda coffee; support to value addition; strengthening farmer organizations/cooperatives for commercialization; promotion of joint ventures and concessions on underutilized productive land; promotion of quality planting materials; improving access to quality inputs; and developing coffee finance programme.

Despite the Covid-19 pandemic which disrupted some of the planned activities like extension services and training of industry players towards the end of FY 2019/20 due to restrictions on movement, contact and budget cuts during the FY 2019/20, a number of interventions geared towards increasing coffee production and exports were implemented and achievements realized for the FY 2019/20. In addition, UCDA, guided by the Ministry of Health, issued Standard Operating Procedures (SOPs) which enabled exporters to access regulatory services especially coffee sales registration and pre-inspection services before export. These measures led to higher coffee exports during the financial year.

The volume of coffee produced increased from 4.0 million bags in FY 2015/16 to 7.75 million bags in FY 2019/20, an increase of 94 percent. This increase in coffee production is to a large extent attributed to the newly planted coffee especially Robusta and the increments in the yield per tree which now stands at 1.75 kg/tree of clean coffee



for Robusta and 1.31 kg/tree for Arabica. The total coffee exports for FY 2019/20 amounted to 5,103,771-kilo bags worth US\$ 496.25 million compared to 4,168,408 60kg bags worth US\$ 415 million the previous year 2018/19. This represents a 23% and 20% increase in both quantity and value respectively.

Robusta exports amounted to 4.14 million bags worth US\$ 369.5 million compared to 3.2 million bags and US\$ 301.7 million the previous year. In the specialty coffee market, there has been an increase in sustainable coffees with high premiums especially for Arabica Coffee (US\$ 4.39 per kg- Sipi Falls/US\$ 6.61 per kg- Mt.Elgon) over the period, though the percentages of specialty/sustainable coffees to total coffee exports are short of projections for the National Coffee Strategy period. This calls for more concerted efforts in this cohort. Farmers in groups or cooperatives accounted for 23 percent in FY 2019/20, 8 percent higher than the proportion of 15 percent in FY 2014/15 short of the 40% that had been projected in the National Coffee Strategy. Domestically, the per capita consumption of coffee per year is 0.8 kgs an increment from 0.36 kgs for 2014/15. This is due to the fact that UCDA has increased awareness of the benefits of coffee consumption and helped with development of growing brands dealing in coffee. This has helped increase the visibility of coffee on the market. In the year 2019/20, coffee contributed 21.65 percent of Uganda's total goods exports.

The key interventions implemented for achievements were distributions of seedlings and fertilisers to farmers, cooperatives and farmer organizations. This has been coupled with farmer trainings through various extension outreaches by the authority. Farmers have been

encouraged to rehabilitate coffee for higher coffee yields. UCDA has continued to inspect and certify coffee for exports and domestics consumption. Various trainings have been conducted to players along the coffee value chain including farmers and processors on value addition techniques; Baristas and brewers have been trained in basic quality control, roasting and brewing techniques. From a tracer study on former trainees of UCDA, these trainings have changed the attitude of trainees positively to the coffee industry especially the consumption as well as an increase in employment after the training.

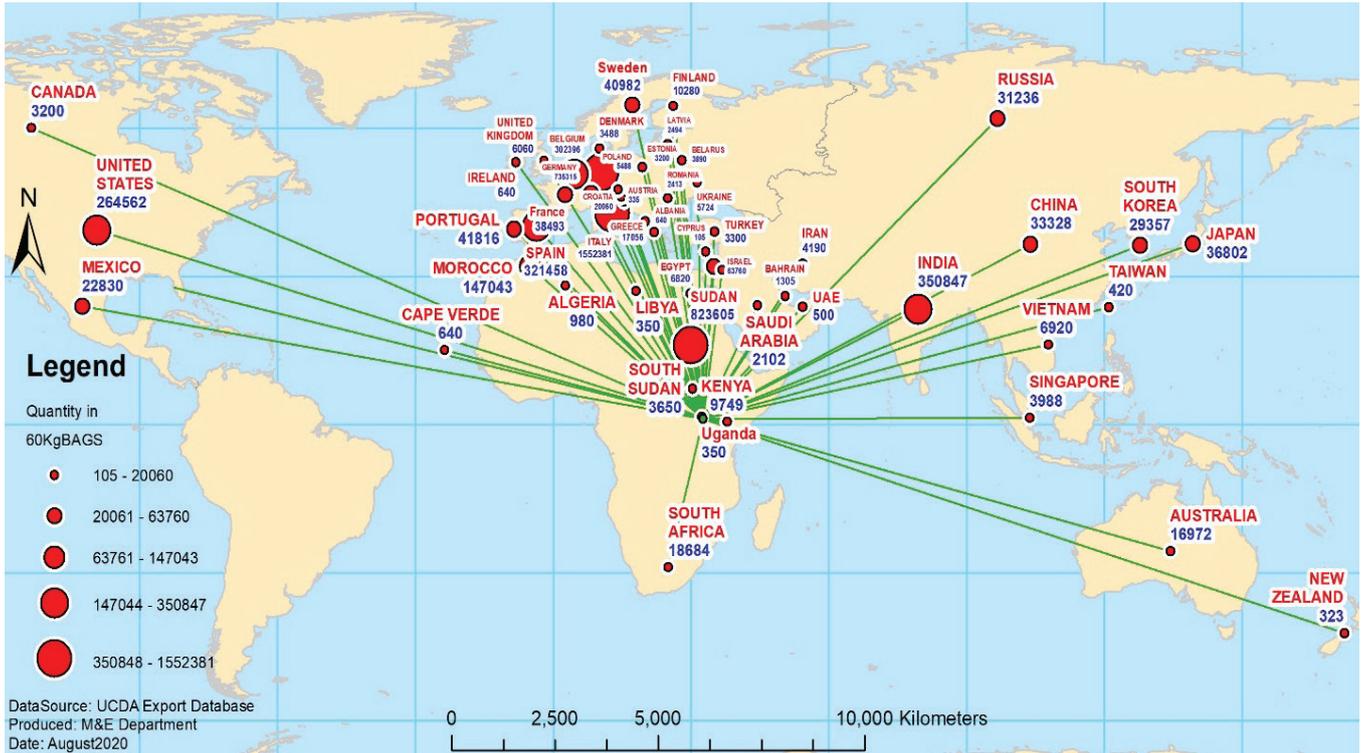
UCDA is committed to effectiveness and efficiency in providing services to her key stakeholders. This is evidenced from the UCDA clients' satisfaction survey conducted in April 2020 which shows that 83.4 percent of the clients are satisfied with our services. UCDA is in the process of developing the National coffee strategy for the period 2020/21 to 2024/25 which will focus on the achievement of the overall production target of 20 million 60 kg bags per year and total coffee export value of US\$1.5 billion per year by 2025.

Lastly but not least, I wish on behalf of the UCDA management and staff, to thank the Board for policy formulation, effective guidance and monitoring and evaluation; stakeholders for the cordial relations and development partners for their technical and financial support.

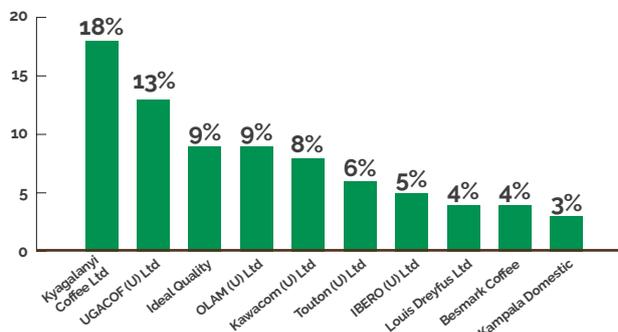
Dr. Emmanuel Iyamulemye Niyibigira
MANAGING DIRECTOR

2019/20 AT A GLANCE

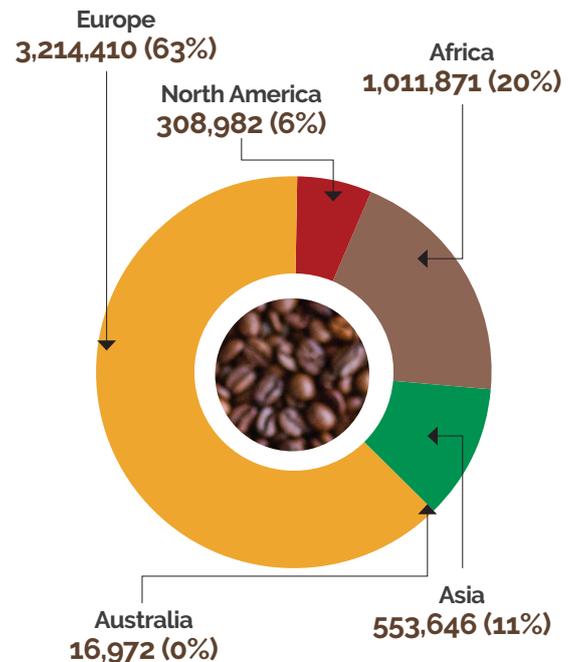
Coffee Destination by Quality (60kg bags) for Financial Year 2019/2020



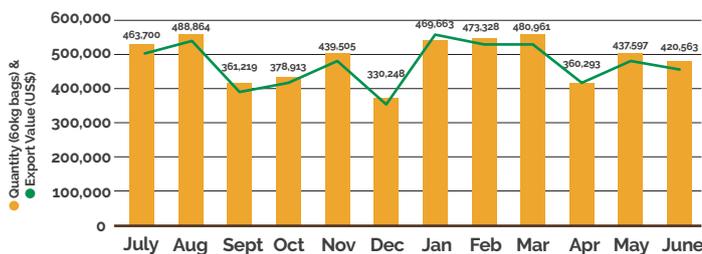
Market share for the top 10 Exporters



Destination by Continent



Export Trend for FY 2019/20 (Quantity 7 Value)



Total Export: 5.1 Million 60Kg Bags
Valued at US\$: 496.3 Million = UGX 1.8 Trillion

Key Performance Indicators in line with National Coffee Strategy

Subject	Baseline (2014/15)	Target (2019/20)	Actual (2019/20)
Production (60 Kg bags)			
Robusta	2,844,139	4,617,000	6,203,163
Arabica	801,919	1,252,000	1,550,791
Total	3,646,058	5,869,000	7,753,954
Export Volumes (60 kgs bags)	3,455,852	5,282,100	5,103,771
Export Revenues (US\$ Billions)	0.410	1.100	0.496
Market positioning (%)			
Commodity/volume	97%	57% (incl. soluble)	
Sustainable incl. speciality	3%	43%	4.3% (Volume); 7.1% (Value) ¹
New coffee trees planted	17,020,000	225,000,000	127,491,351 ²
Density (trees/ha)			
Robusta	Less than 1,100	1,100	1,100
Arabica	Less than 1,600	1,600	1,640
Yield per tree (green coffee- kg/tree)			
Robusta (kg/tree)	0.55	1.1	0.79 ³
Arabica (kg/tree)	0.31	1.0	0.82
Yield per hectare			
Robusta (kg/ha)	600	1,200	1,245 ⁴
Arabica	500	1,600	1,168 ⁵
Certified (%)	2	15	4.3
Value addition (% roasted and soluble)	1	5	1
Coffee rejuvenated (% per year):	1	10	4 ⁶
Domestic consumption (average per capita consumption per year- kg)	0.36	0.5	0.8 ⁷
Coffee farmers belonging to an organization (%)	15	40	23

¹ From UCDA Database

² Only plantings for September-November 2019 rains are considered since no planting was done in March-May 2020 due to the Corona virus.

³ Data used from the Coffee Replanting Evaluation Report, 2018

⁴ Used data for improved farmers from 'Establishing the Financial Viability of Coffee Farming in Uganda study Report, 2018'

⁵ Used data for improved farmers from 'Establishing the Financial Viability of Coffee Farming in Uganda study Report, 2018'

⁶ Very few trees were rejuvenated/rehabilitated due to Covid-19 pandemic.

⁷ Domestic Coffee Consumption Survey Report 2018



Uganda Coffee Development Authority

30 Years of **Social-economic**
Transformation in the Coffee Subsector

01

CHAPTER ONE

About the Uganda Coffee Development Authority

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

oversees the conduct of business and supervision of the UCDA Management, which is responsible for the day – to – day operations.

The Board's objective is to preserve UCDA's institutional competitiveness as well as ensuring that the Authority operates in a reliable and safe manner.



Our Mandate

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



Our Vision

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



Our Mission

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

Mission Objectives

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

Our Values

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

Leadership

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

Integrity

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

Teamwork

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

Client focus

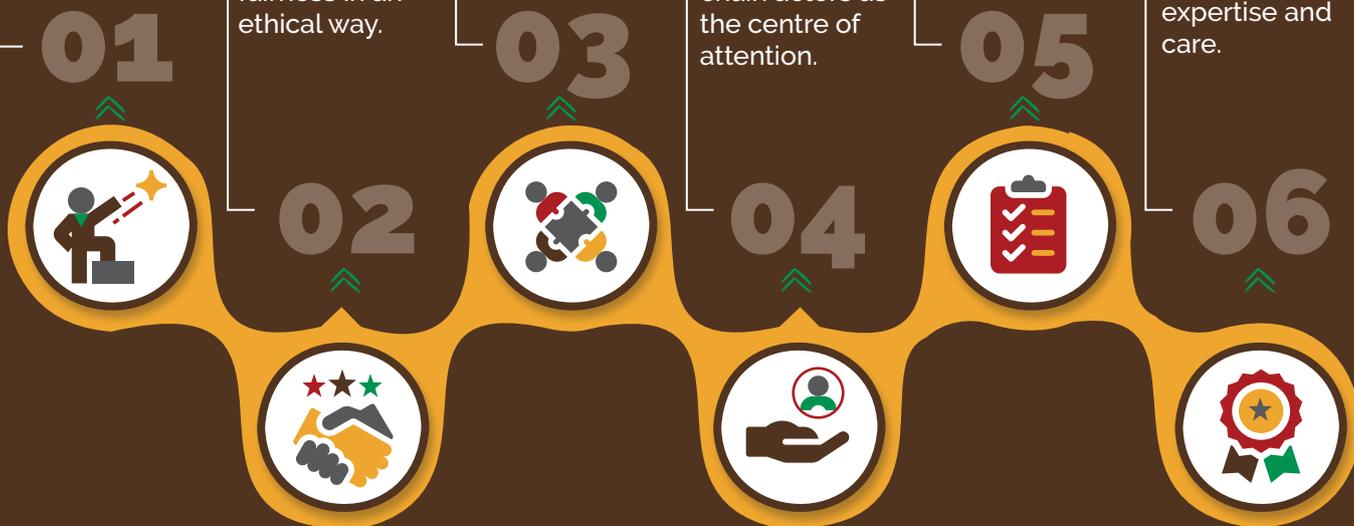
In whatever we do, we put all value chain actors as the centre of attention.

Accountability

We take responsibility and disclose our activities to all stakeholders in the industry.

Professionalism

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



UCDA Board of Directors



Mr. John Nuwagaba
Board Member (Farmers)



Mr. Perez S. Bukumunhe
Board Chairman



Prof. Julius Y.K. Zake
Board Member (Farmers) and
Chairman Technical Programmes
Committee



Ms. Rose Kato
Board Member (Processors)



Mr. Michael Nuwagaba
Board Member (Processors)



Mr. Fred Luzinda-Mukasa
Board Member (Exporters) and
Chairman Audit Committee



Haji Ishak Lukenge
Board Member (Exporters)



Mrs. Beatrice Byarugaba
Board Member (Ministry of Agriculture,
Animal industry and Fisheries)



Dr. Albert Musisi
Board Member (Ministry of
Finance, Planning and Economic
Development) and Chairman
Finance and Policy Committee



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



Dr. Emmanuel Iyamulemye Niyibigira
Board Member
(Managing Director - UCDA)



Ms. Eunice Kabibi
Ag. Board Secretary/
Legal Manager

UCDA Management Team

Executive Directorate



Dr. Emmanuel Iyamulemye Niyibigira
Managing Director



Laura Walusimbi
Corporate Communications Manager



Eliot Ainomugisha
Procurement Manager



William Rugadya
Audit and Compliance Manager

Board Secretary's Office and Corporate Services Directorate



Nina L. Nassuna
Ag. Director Corporate Services/Manager Finance



Lydia Kitakufe
Management Information Systems Manager



Angelita Musimenta
Human Resource Manager



Eunice Kabibi
Ag. Board Secretary/ Legal Manager



Edwin Agaba
Administration Manager

Quality and Regulatory Services Directorate



Edmund Kananura Kyerere
Quality and Regulatory Services Director



Doreen Rweihangwe
Quality Assurance Manager



Betty Namwagala
Marketing and 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 Chepkruui
Regional Manager (Northern Region)



Liza M. Luseesa
Regional Manager (Central Region)



Moses Asiimwe
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



Samuel Samson Omwa
Business Development and Innovation Manager

Stakeholder Engagement

UCDA's stakeholder engagement strategy maps out processes for engaging all stakeholders along the coffee value chain. Some of the interventions employed include media relations management, client relations management, strategic relationship development, staff engagement, brand awareness and reputation building.

These interventions have created a platform and an enabling environment for stakeholders to share their feedback with us in real-time and to build positive perceptions about the Authority.

Through the various engagements held with its stakeholders in Financial Year 2019/20 the Authority was able to gain insights into trends and key issues in the coffee sub sector from both the private and public sectors. This in turn helped to inform interventions

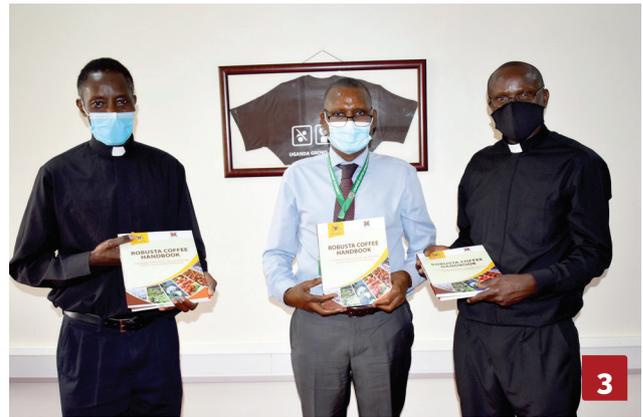
and make the team more responsive and relevant to stakeholders.

A series of high visibility activities both locally and internationally provided the Authority with opportunities to disseminate information to the public about its mandate, key achievements and strategic direction. UCDA continues in its efforts to make its interventions strategic and proactive and this has resulted in a greater appreciation for our role as the agency mandated to promote and oversee the coffee industry as a whole by developing research, controlling the quality and improving the marketing of coffee and to provide for other related matters.

Key stakeholder interventions are highlighted in a pictorial of events held in 2019/20..

Pictorial





1 Launch of Clonal Robusta Nursery Handbook at JASAR in August 2019.

2 UCDA staff interacting with staff at Great Seasons Farm in Mutunda, Kiryandongo.

3 Dr. Emmanuel Iyamulemye, MD UCDA hands over Robusta Coffee Handbooks to Fr. Simon Peter Kyambadde and Fr. Emmanuel Tamale of Kiyinda-Mityana Diocese. UCDA gave the Diocese 40,500 seedlings to boost coffee production and support community members improve their livelihood.



4 UCDA staff interacting with staff at Great seasons farm-Mutunda Kiryandongo, at ground-opening for planting on 1200acres of coffee.

5 Former State Minister for Bunyoro Affairs, Hon. Ernest Apuuli Monday Kiiza (3rd left), Hon. Kasumba Patrick Paddy (2nd right) and other Masindi district local government officials at the launch of Bwijanga coffee farmers' cooperative in Masindi, November, 2019.



6 Members of Bwijanga Coffee Farmers' Cooperative Limited and other lead coffee farmers raise their hands to second a petition to strongly uphold coffee quality after a training by UCDA.





Uganda Coffee Development Authority

30 Years of **Social-economic**
Transformation in the Coffee Subsector

Coffee Production and Productivity

The Uganda Coffee Development Authority (UCDA) has the obligation to increase coffee production and productivity at farm level in a sustainable way that addresses the social, ecological and economic dimensions.

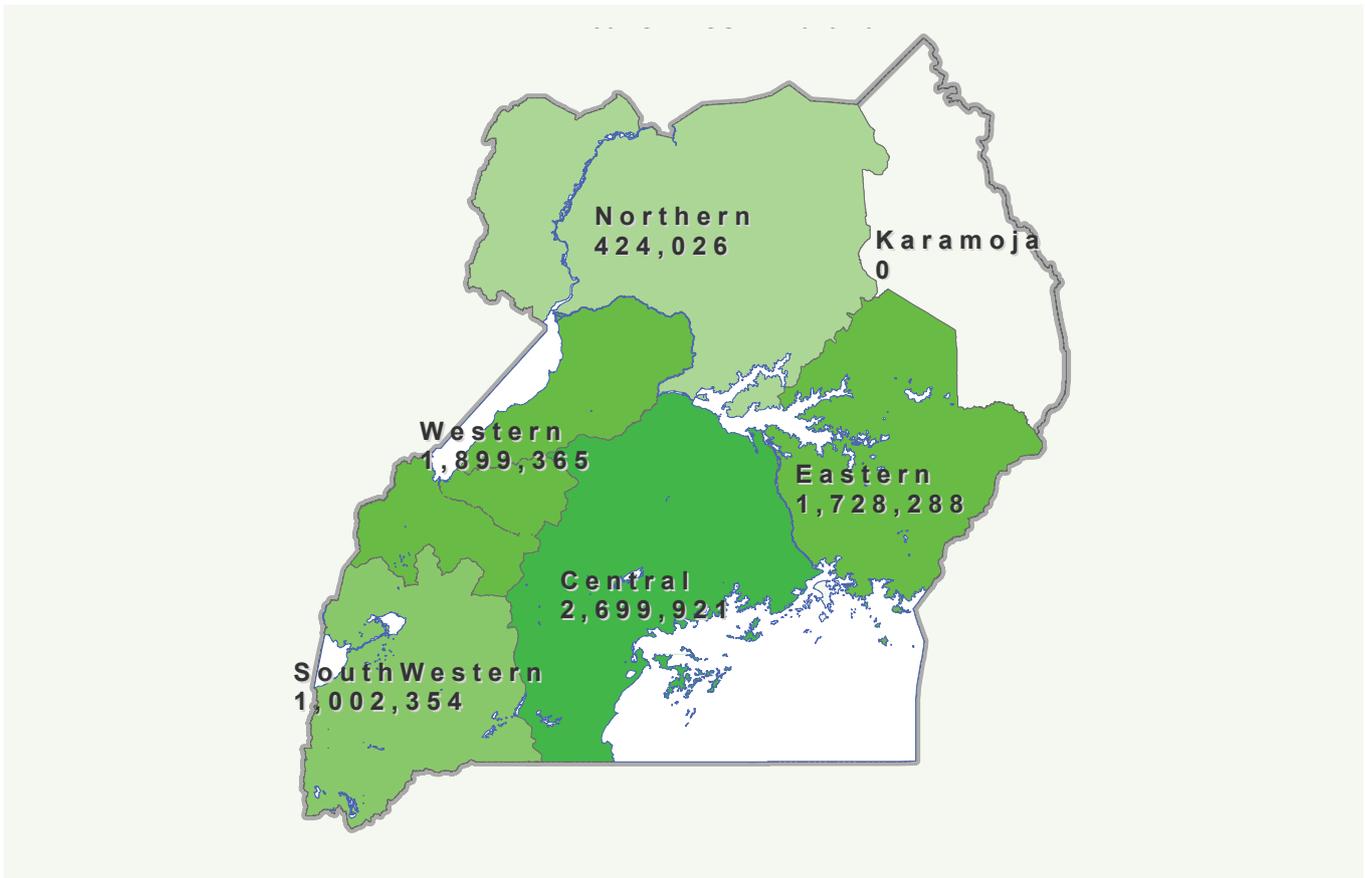
2.1 Coffee Production

The production targets for 2019/20 from the national Coffee strategy was 5,869,000 60kg bags (4,617,000 60kg bags for Robusta and 1,252,000 for Arabica). The actual production for the year was 7.75 million bags comprising of 6,203,163 bags for Robusta and 1,550,791 for Arabica. We, therefore, surpassed our target by 32% (Table 1).

Table 1: Coffee production from different coffee regions (FY 2019/20)

Region	Production New Trees (kg)	Production from Old Trees (kg)	Total Production (kg)	Total Production in 60Kg Bags
Acholi	652,465	2,442,112	3,094,577	51,576
Ankole	24,277,340	17,015,879	41,293,219	688,220
Bugisu	14,451,936	30,154,194	44,606,130	743,436
Bukedi	1,171,914	-	1,171,914	19,532
Busoga	21,839,515	22,531,049	44,370,564	739,509
Central	66,301,088	95,694,177	161,995,265	2,699,921
Kigezi	10,259,718	8,588,292	18,848,010	314,133
Lango	2,176,768	5,113,908	7,290,676	121,511
Sebei	2,458,114	11,090,579	13,548,693	225,812
West Nile	4,760,282	10,296,015	15,056,297	250,938
Western	60,593,736	53,368,179	113,961,915	1,899,365
Grand Total	208,942,877	256,294,385	465,237,262	7,753,954

Figure 1. Coffee Production by region (60kg bags) for Financial Year 2019/2020

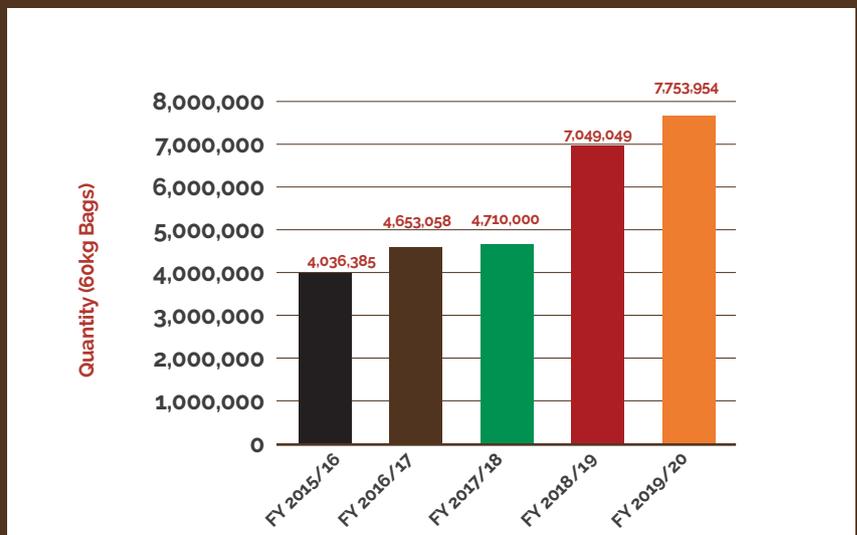


Coffee production from FY 2015/16-FY 2019/20

Uganda's total coffee production currently represents about 5% of the global production. By comparison, Brazil (the world's biggest producer) produced 58.2 million bags in Coffee Year 2019/20, about 35% of the global market. Nonetheless there is a positive trend in coffee production.

Figure 2 below shows the annual coffee production for FY 2015/2016 to FY 2019/2020. It shows an increasing trend on account of factors articulated above.

Figure 2. Annual coffee production from FY 2015/16 to FY 2019/20



2.2 Production of high quality coffee planting material

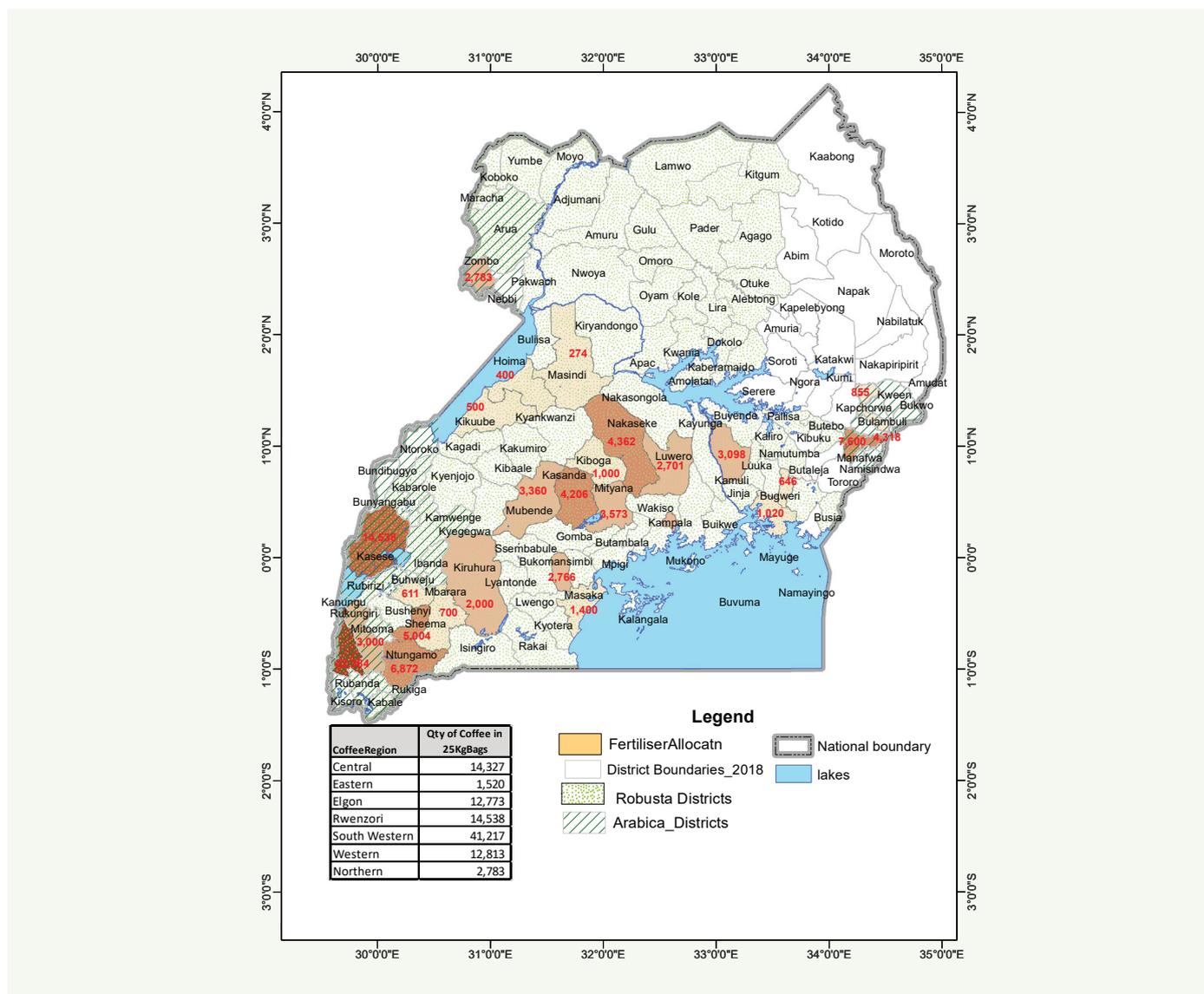
A total of 13,733 kg of Arabica seed (433kg in Elgon; 5,500kg in Rwenzori; and, 3,900kg in Kigezi) were distributed to farmers in areas where there are no seed gardens. Seed was distributed to 85 nursery operators (60 male, 25 female, of whom 11 were youth). This helped to generate 34.33 million seedlings that were planted in the March-May 2020 and September-November 2020 planting seasons.

National Coffee Research Institute (NaCORI) generated 54,900 CWD-r clones of Robusta coffee of which 14,200

were availed to farmers. Another, 243,100 cuttings of CWD-r clones are still in rooting bins at Kizuza. For Arabica coffee, 4,550 seedlings and 432 kg of seed were availed to farmers out of 36,164 seedlings and 1,122 kg of seed that were produced. In tissue culture, 16,027 plantlets were raised, of which 192 (KR10) were planted in the mother garden, 8,475 were hardening, and 7,360 ready for planting by the end of the FY. Coffee germplasm was expanded by 134 new accessions collected from natural forests (Zoka, Maramagambo and Budongo).

By the end of FY 2019/20, a field gene bank was being

Figure 3. Coffee production by region (60kg bags) for Financial Year 2019/2020



established for Robusta coffee with 401 genotypes. A new 13-entry trial of Robusta coffee hybrids was also established at Kizuza. Fertilizer requirements for early stage (24 months or less) Robusta coffee were verified to 50g NPK 25:5:5 per plant. Under plant densities, black coffee twig borer infestation was established to be highest under high densities (3mx1m) compared to widest spacing (3mx3m). Yield potential at first cycle of production was highest under high densities compared to low densities. The apparent high yield potential under high densities come at expense of tripled fertilizer requirements and high pest and disease pressure, which may not be sustainable in subsequent crop cycles and not affordable by small scale farmers.

Verification of seedlings in 216 districts indicated availability of 161,169,100 seedlings for the September to November 2019 planting Season and for March to May 2020 season for only CWD-r and Arabica seedlings: Central verified 35,690,297 seedlings for 749 operators (507 Male, 241 Female); Eastern verified 31,710,000 seedlings for 383 operators (210 Male, 100 Female, 73 Youth); Elgon verified 682 nurseries (198 Male, 74 Female and 1 Youth) with 20, 499,000 seedlings; Western verified 330 nurseries (225 Male and 105 Female with 19,184,600 seedlings; Rwenzori verified 592 nurseries (384 Male, 203 Female and 5 Youth) with 36,535,000 seedlings; Northern verified 215 nursery operators (183 Male, 32 Female of which the youth were 29) with 19,231,000 seedlings; South Western verified 358 nursery Operators (258 Male, 100 Female) with 15,381,203 seedlings.

A total of 1,068,037 CWD-r plantlets (527,157 for establishment of mother gardens and 550,880 for planting) were distributed to 396 (291 Male and 105 Female) beneficiaries across all regions.

A total of 99,781 25-kg bags of fertilizers were distributed to 24 cooperatives and farmer organizations around the country: Eastern 4,710 bags to 182 beneficiaries (145 Male, 37 Female); Elgon 12,783 bags to 1,455 beneficiaries (1,162 Male, 293 Female, 41 Youth); Western 13,313 bags to 2832 beneficiaries (2,304 Male, 528 Female); Northern: 2,783 bags to 527 beneficiaries (75 Male, 17 Female); Rwenzori:

12,738 bags to 1436 beneficiaries (1075 Male, 361 Female) South Western: 40,571 bags to 871 beneficiaries (692 Male, 179 Female); Central: 12,889 bags to 1994 beneficiaries (1,480 Male, 514 Female).

2.3 Trainings

Conducted 222 farmer trainings, (34 in East, 10 in Elgon, 32 in Central, 46 in Rwenzori, 44 in South Western, 24 in Western and 32 in Northern) in Good Agronomic Practices with emphasis on coffee rehabilitation. They were attended by 5,643 beneficiaries (3,929 Male, 1,714 Female).



Demonstration on fertilizer application on a young coffee tree

- i. Conducted nine Trainings for Sub-County Extension Workers; 1 in Central, 6 in Elgon, and 2 in South western regions. The trainings provided coffee specific knowledge and skills to sub county extension workers which has enabled them to continue providing coffee extension services to farmers thereby complimenting efforts of UCDA field staff.
- ii. 16 trainings sessions (784 beneficiaries (697 Male, 87 Female and 133 youth) with coffee buyers and

processors were conducted, (1 in Rwenzori, 3 in Western, 3 in Northern, 5 in Eastern, 3 in Elgon, 1 in Central Region). The trainings improved awareness of the players on coffee quality especially at post-harvest and new processing technologies, improved compliance of the players on coffee regulations especially at registration through the URA portal and created awareness on addressing the challenges affecting the players.

Success Story

Mr. Cyprian Bangirana - Sheema District; Chairperson of Kagango Coffee Farmers' Cooperative Union

This union benefited from coffee rehabilitation and fertilizer application.

"I have 22 acres of coffee with a total harvest of 9 Tonnes per year. The cooperative received 2,800 bags of organic fertilizer and it benefited 279 farmers (233 Male and 46 female).

At the time of receiving fertilizers from UCDA, the Union had already prepared stores for storing fertilizers until distribution to farmers during the rainy season for application.

Kagango farmers' Cooperative had already started applying fertilizers bought by the group. The productivity was high per tree as compared to other farmer groups. I offered my coffee garden to act as a demonstration plot in the district; 'We, together with the Sheema district leaders appreciate the shift

of UCDA's intervention from supplying seedlings to fertilizers and other inputs support. We recommend that fertilizer guidelines showing when to apply fertilisers are provided to Cooperative Unions'.



Mr. Martin Dembula - Kapchorwa District; Chairperson and Coordinator of Sipi Sustainable Coffee farmer group

A Field Officer encouraging best agricultural practices explained that members are encouraged to stump old trees for regeneration and improvement in the quality of coffee and yield. He noted that as a leader, he sets out the example for the group by stumping his trees. "After stumping my old trees a few years ago, I now get up to 15kg of cherry per tree." In addition, the group sells its produce to exporter companies.

Out of their proceeds, they have been able to support a school as a way of giving back to the community. They bought textbooks for the school's Primary 4 and 7 classes. They also bought hoes for the agriculture class to use in the school coffee garden. The group plans to support another school with textbooks this financial year. The group's vision is to see more young people become coffee farmers.

2.4 Coffee Development In Northern Uganda

The Northern Region of Uganda constitutes a total of 25 Districts in Acholi (8), Lango (9) and West Nile (8).

In 2008/09 to 2011/12 Coffee Years, UCDA designed and implemented a pilot Special Intervention for Commercial Coffee Production, (SICCP) in Mid-Northern Uganda. After a review of the intervention, the programme was mainstreamed into the overall UCDA Coffee Development strategy on promotion of commercial coffee production in Mid-Northern Uganda districts in Lango and Acholi Sub-regions. The broad objective of the programme was to create wealth, enhance saving, create storage of value, enhance food security and stimulate investment in order to improve the welfare of the people of Mid-Northern Uganda.

In FY 2019/20, the focus was to conduct Coffee Commercial farming training targeting commercial oriented farmers and DLGs on coffee awareness and establishment of coffee villages in Northern Uganda (18 districts in Mid North and 2 in West Nile); Procure and distribute banana suckers and other tree shade

seedlings and also establish Technology Development Sites (two per each district). The following results were achieved;

- i. 5,000kgs of Robusta seed were procured and distributed to 97 nursery operators (81 Male, 16 female)
- ii. 2,000kgs of Arabica seed were procured and distributed to 45 Nursery operators (42 Male, 3 Female)
- iii. 974,209 coffee seedlings (410,209 in Arua and 563,936 in Zombo) were procured and distributed to 1,791 farmers (1,401 Male, 390 Female).
- iv. 23 beneficiaries (15 Male and 8 Female) received 57,200 CWDR plantlets in Vinayak Agro farm, Arua, Maracha, Amuru, Nwoya, Gulu, Omoro, Apac, Kwania, Oyam, Kole, Dokolo, Amolatar, and Karenga
- v. Procured and distributed 550 kgs of Albizia coriaria seed to 38 nursery operators (34 Male, 4 Female) for raising of shade tree seedlings



CWDR Nursery Plantlets ready for Distribution

- vi. Distributed 77,926 suckers to 278 farmers (219 Male and 59 Female), with Gulu district having 2,360, Omoro (36,597), Oyam (2000), Kole (1000), Nwoya (15,550), Amuru (3,756), Kitgum district (873), Uganda Prisons Gulu/Lamwo (9,790) and Paidha Prison farm (6,000).

2.5 Coffee Rehabilitation

In an effort to encourage farmers to rehabilitate their old farms, a baseline study was done by UCDA to: quantify the number of old coffee trees in different regions of Uganda; Assess the level of production and productivity of the old trees; Assess the current use of fertilizers among the coffee farmers and the willingness of farmers to cost share fertilizer use.

The findings of the study indicate that:

- i. The majority of the coffee trees totaling 114,976,961 (53%) of the estimated total 220,297,966 in Uganda, are in the old age bracket (8 or more years.). About 35% of all coffee trees are aged 3-7 years (75,295,610), while 14% are trees aged below 3 years (30,025,395). The level of production and productivity of the old trees was very low as reflected in the mean yield of less than 2 kg of green coffee per tree. The yields decrease with age of coffee trees. The overall average productivity for old trees was 1.3 kg/tree for trees of 8-11 years, 1.0 kg/tree for tree of 12 years and above and 1.7 kg/tree for trees of 3-7 years old. The notable decline in productivity of old trees is in conformity with the practice of stumping trees of 8 years. The dominance of old coffee trees implies declining productivity and hence justifies UCDA's planned coffee rehabilitation measures.
- ii. Further, only 9.8% of the respondents reported applying inorganic fertilizers in their coffee. Use of inorganic fertilisers is not a new practice. The commonly used inorganic fertilizers are SSP, TSP and NPK supplied by government and development agencies. However, the distribution

network for fertilisers is generally poor and there is limited appreciation of fertiliser benefits by farmers. The estimated demand for fertilisers in relation to the maturation trend of coffee trees is 66,089 between 2020/21 and 2029/30.

- iii. Farmers consider the costs of fertilisers to be prohibitive to fertiliser application on their farms. While the majority of farmers do not apply fertilisers, 67% of the farmers indicated their willingness for cost sharing fertiliser to enable them improve productivity. On average, farmers are willing to cost-share 29.3% of the cost of fertilisers. The majority of the farmers (79%) did not apply any agro-inputs to improve crop yields. The dominant agro-input used was organic fertilizers by 12% of the households. Organic fertilisers (farm-yard manure) were made on the farm. The main source of agro inputs is the private sector shops (40.7%).
- iv. Majority (78%) of the farmers did not access extension services, with the least access reported in Eastern region (28%) compared to only 6% of farmers in Western region

2.6 Recommendations

- i. UCDA should continue to devise interventions measures improve production and productivity and use stumping old coffee trees to improve yields. This can be done by establishing coffee growing demonstration fields for technical assistance on public-private-partnership (PPP) basis.
- ii. UCDA needs to increase the extension outreach though increasing on the number of its officers and offer at least a coffee agronomist to every sub-county to assist farmers to improve their coffee husbandry practices and improve their yields.
- iii. Farmer organisations should be strengthened so that there is an increase in networks for efficient input distribution, extension services, soil testing, agricultural credit and other financial services.

Success Story

Renovate and rehabilitate your coffee – Every tree counts

UCDA and aBi Development jointly funded 18 coffee shows in five regions under the theme '*Renovate and rehabilitate your coffee – Every tree counts*' in 30 districts this year.

Farmers, representatives from central and local government, coffee nursery operators, agro input dealers, processors, traders, SACCOs, banks and others attended the shows. They shared knowledge and expertise and inspired interest in the coffee sub-sector, contributing to increased coffee quality and productivity for sustainable livelihoods for Uganda's smallholder farmers.

Families were also advised to jointly manage finances earned from coffee in order to improve their welfare. The main attraction at the shows was the demo garden where a team of coffee specific agronomists and UCDA

Regional Coffee Extension officers (RCEOs) demonstrate Good Agricultural Practices (GAPs).

They also attended to farmers' questions on farm management, pest and disease control, market intelligence and all other coffee related issues. During the shows, farmers received up-to date coffee specific knowledge on renovation and rehabilitation.



Zavuga's farm before rehabilitation.



A flowering Coffee plant on the farm.



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

Success Story

Mr. Anecho Silvio - Nebbi District

Mr. Anecho Silvio, 64 years old farmers, from Pacaka Parish Erussi Subcounty, Nebbi District

I own 800 coffee trees of Arabica coffee under pure stand. I have benefited from UCDA's programmes which include; seedlings, training in post-harvest handling, and Good agronomic practices. I was able to apply the skills gained from the training and was able to harvest 360kg of red cherries. I used the money to pay school fees and seven of my children have graduated with one girl staying in Canada.

I later started a coffee nursery business with the money I got from selling coffee. I have been able to plant 200 eucalyptus trees, cocoa, and vanilla from coffee sales. I also acquired 40 acres of land where I will continue growing coffee and expand my garden.

I supplied seedlings to farmers in Erussi subcounty and was able to earn 17 million shillings. I am so grateful for the support UCDA continues to avail me and I request that number of field officers be increased so that they can reach farmers easily and frequently. I also request for support to revive our cooperative union (Jumanziri Coffee Cooperative).



Mr. Anecho Silvio giving his success story

Baliboneraawo Kibuutu Coffee Farmers Association (BABUCOFA) in Luuka plans to promote local consumption. Members noted that they have received various agricultural farm inputs such as pesticides, spray pumps and good quality coffee seedlings from UCDA as well as training on Good Agricultural Practices (GAPs) from the UCDA technical staff.

The UCDA interventions have had several positive results. The quality of coffee beans has improved

greatly. The association plans to venture into value addition through roasting of their own coffee.

They have undergone training in good roasting practices demonstrated at the UCDA laboratory in Iganga. The group now plans to procure a coffee roaster and packaging machine. This will enable them to produce coffee for local consumption.

2.7 Forecast for world coffee production in the year 2020/21

2.7.1 Global Position

Global Coffee production in Coffee Year 2020/21 is estimated at 171.9 million bags, 1.9% higher than 168.7 million bags in Coffee Year 2019/20. This is on account of an on-year Arabica production in Brazil and increased production from other Arabica origins namely Colombia.

Ethiopia is the world's fifth largest and Africa's largest producer of coffee. In coffee year 2020/21, its output is projected to increase marginally by 0.4% to 7.38 million bags due to improved rainfall and newer trees coming into production.

Honduras is the Central and Mexican region's largest producer, and its output is estimated to rise by 2.8% to 6.1 million bags. Global Robusta coffee production is envisaged to decrease due to weather concerns in Vietnam which is expected to reduce by 5% to 29 million bags. Increase in production in Uganda is estimated to increase by 10% to 8 million bags while output from Indonesia is estimated to increase by 5.1% to 12.27 million bags.

Output from India is expected to grow by 14.7% to 5.7 million bags as a result of sufficient rainfall compared to droughts in previous years, though the impact of heavy rains during the monsoon season may affect the yield or quality of the crop. Production from Cote d'Ivoire is expected to decrease by 8% to 1.8 million bags. Production in South America is anticipated to grow by 4.4% to 84.54 million bags in 2020/21, accounting for 49.2% of global production. Brazil's output is estimated to grow by 12.5% to 69.58 million bags.

Further, higher domestic prices, particularly as the Colombian peso depreciated against the US dollar, and likely to encourage farmers to harvest their coffee. This is coupled by renovated plantations coming into production increasing yield. Colombian production is estimated at 14.3 million bags growing at an annual rate of 1.4%.

On the other hand, global consumption in Coffee Year 2020/21 is expected to increase by 1.3% to 166.6 million bags up from 164.5 million bags the previous year.

The annual growth in consumption would be lower than the decade's 2.1% on account of Covid-19 pandemic



which resulted into a downturn in global economy and significantly affected the out-of-home consumption segment since the outlets were closed due to lockdown as well as social distancing. As the lockdown is eased in many consuming countries, global consumption will increase.

The larger increase in global coffee production against little recovery in consumption leads to a projected surplus of 5.27 million bags at the end of Coffee Year 2020/21 with a subsequent effect on global coffee prices.

2.7.2 Domestic Position

Coffee Production and exports in Coffee Year 2020/21 are envisaged to continue increasing on account of newly planted coffee coming into fruition. In addition, incremental production due to the rehabilitated trees in 2019 will be realized. Coffee production is estimated at 8 million bags and exports at 5.4 million bags respectively. Distribution of CWDr planting material to farmers would be continued that would ensure sustainability of the crop. Implementation of the Coffee Strategy in line with the National Development Plan III pillar of agro-industrialization will be prioritized.

A Coffee Farmers Register would be compiled, support construction of a tissue culture laboratory at NaCORI, ensure management of pests and disease; promote water harvesting technologies; develop standards for Ugandan coffee brands; carry out a perception survey to gauge service delivery; Carry out research in potentially attractive emerging markets as well as developing a new corporate plan.

Competition at all levels in the coffee value chain will continue with increasing concentration especially at exporter levels. Covid-19 Standard Operating Procedures (Social Distancing; Wearing of Masks; sanitizing and Washing of hands) will continue to be adhered to by all coffee stakeholders.

2.8 Conclusion

This chapter focused on production and productivity, the authority continues to encourage farmers to adopt better coffee farming and harvesting practices for increments in coffee productivity. There is continued training of farmers and farmer groups, provide agro-inputs and advocating for rehabilitation. Coffee production has increased in the last five years.



Distribution of CWDr planting material to farmers would be continued that would ensure sustainability of the crop. Implementation of the Coffee Strategy in line with the National Development Plan III pillar of agro-industrialization will be prioritized.



Uganda Coffee Development Authority

30 Years of **Social-economic**
Transformation in the Coffee Subsector

03

CHAPTER THREE

Quality and Value Addition

UCDA ensures quality at all stages of the coffee value chain and promotes value addition processes to respond effectively to both national and international market requirements and opportunities. To do this, the authority inspects, certifies and evaluates the quality of coffee produced and exported, Conducts trainings on coffee quality, regulations, roasting profiles, coffee brewing techniques and encourages adoption of appropriate technologies.

3.1 Coffee quality

3.1.1 Inspection and Certification

The authority inspects and Certifies coffee for export and domestic consumption. It evaluates the quality of coffee through proficiency testing for pre-shipment and loading samples. In FY 2019/20, proficiency testing was done in the districts of Mbale, Bushenyi and Kasese. It also characterizes and profiles high quality coffees from potential areas with sustainable, specialty, fine coffees and publish the coffee profile. 15,249 Quality Certificates and International Coffee Organizations' (ICO) certificates of Origin respectively were issued.

3.1.2 Trainings

97 (84 Male, 13 Female) field based quality controllers were trained in FAQ coffee grading, Out Turn (OT) determination and cupping to demonstrate impact of practices. University students were trained in Basic Quality Control (BQC).

The authority conducted Training of Trainers 4th

round for Quality Champions (QCs). The QCs are from the Uganda Coffee Development Authority (UCDA, Uganda National Bureau of standards (UNBS), Private sector (2 enterprises and 3 Sector training institutions. QCs where attached to 10 selected enterprises to assist in developing total quality management for the companies.

One Quality Assurance Officer (QAO) trained in ISO 17025 method validation facilitated by Commonwealth Standards Network (CSN).

3.2 Value Addition

- UCDA has trained farmers and processors in various value addition techniques including drying, wet processing, grading, certification and roasting. Roasters have also been trained in roast profile,
- UCDA participated in the development of the final EAS (East African Standard) on roast and ground coffee which included harmonization of the EAS in Burundi. It held a meeting with Uganda National Bureau of Standards on the Quality mark for Roasted coffees finished products. Requirements were explained e.g. packaging, content description. Analyzed 19 samples (sensory) in the 1st round based on the EAS 105:1999 score card delivered by UNBS; confirmatory tests ongoing. The harmonized EAS standards will guide the development of a national standard.
- Baristas and brewers were trained in roasting

and brewing techniques for various espresso based, Filtered and iced drinks, and minor trouble shooting of machines in the different districts of Uganda including Mbarara, Kabale, Fort Portal, Kasese and Kisoro. At the Uganda National Barista Championship (UNBC) for the private sector and tertiary institutions, Baristas were trained in brewing techniques and Barista skills prior to the 8th Inter-University Barista Championship (IUBC) competition held in Mbarara University of Science and Technology where Ms. Patricia Awori from KYU was the winner out of 15 finalists (4 Female, 11 Male).



Freshly brewed coffee served at the booth during the AFCA, Mombasa, Kenya

Success Story

Ms. Patricia Awori - Winner, Inter University Barista Championship - 2019

Ms. Awori said; "I got an opportunity to work with Uganda Coffee Development Authority (UCDA) as a Barista at a coffee expo in 2018. I hardly had any experience as a Barista but I was able to gain some skills with the help of some baristas that were already in this field for example the current Uganda National Barista Champion, Mr. Michael Wokorach.

I have also met quite a number of people in this coffee industry who are so passionate about coffee and they have nurtured me into a very passionate woman in coffee with all that we keep sharing regarding coffee. Truthfully, I was very confident that I was going to win. UCDA trained us for the championship."



8th Inter University Barista Championship at Makerere University of Science and Technology on September 26 and 27 2019 Part II.

This is aimed at promoting domestic coffee consumption. In addition, UCDA participated in 41 local coffee events as well as sponsoring the cake fair intended to promote coffee drinking. It has supported higher institutions of learning coffee clubs to host coffee awareness days/ bazaars as well as promotion of coffee at Secondary Schools.

They have trained university students in agronomy, roasting and cupping at UCDA Lugogo Laboratory.



A coffee domestic promotion event at Kalungu district promotional show

To increase structured demand for Ugandan Coffee, Uganda's coffee is being promoted by UCDA in China through coffee shows, expos and trade fairs. UCDA participated in Café Show China Beijing, Guangzhou Tourism Expo, 22nd Agricultural Products Processing Industry Investment forum and

Trade Fair and International Horticultural Exposition. Further, the authority participated in the Uganda-China coffee exchange visit to the Yunnan Coffee Exchange (YCE) in China. In spite of the COVID-19 Pandemic, 72,371 bags (60 Kgs) were exported to the China market.

Uganda Coffee Development Authority (UCDA) and Yunnan International Coffee Exchange (YCE) agreed on recommendations to build structured entry for Ugandan coffee into the Chinese and Asian market as well as draw lessons to improve the quality of Uganda coffee in a sustainable and consistent way. YCE agreed to provide technical and operational support to UCDA to develop a Uganda Coffee

Exchange. This support will include a preliminary investigation and feasibility plan in the preparation stage, the construction stage of the exchange and a trial operation of the exchange. It will also support the establishment of a coffee industrial park in Uganda. UCDA quality assurance technical team will support YCE in building capacity to analyse Robusta coffees.



YCE meeting with Prime Minister Hon. Dr. Rukatana Rugunda and Prof. Ezra Suruma

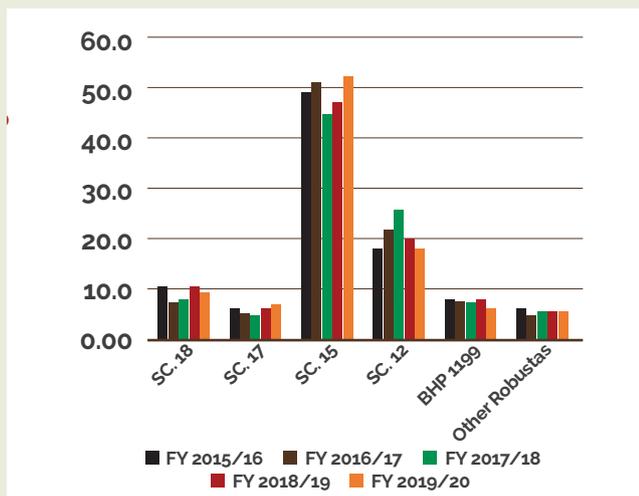
Promoted Uganda coffee at 3 international trade fairs; AFCA Mombasa, Kenya under the theme "Specialty coffee markets: The next frontier and SCAJ Tokyo Japan and 59th A.G.M, IACO – Nairobi, Kenya

Supported the National barista champion to compete at Africa Barista Championship (ABC) during AFCA in Mombasa and was part of the booth team that promoted Uganda coffee.



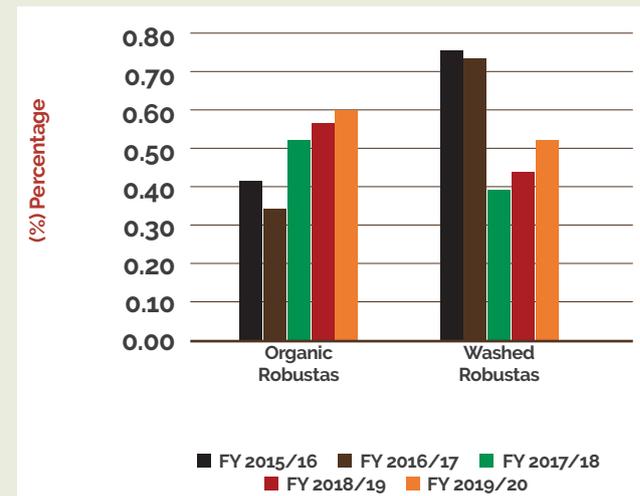
Figure 4 and Figure 5 below show the amounts of coffee exported by grade over the last 5 years.

Figure 4. Distribution (% of quantity) of Robusta coffee exported by Grade



Screen 15 accounted for the largest amount of exports over the last 5 years though there was a reduction in the year 2017/18 followed by an increment in 2018/19 and 2019/20. The year 2019/20 had the highest amount of exports. For the last three years, there has been a reduction in volume of exports for Screen 12 and BHP 1199; though the screen 12 reduction is significantly much higher. However, there was an increment in Screen 17 and Screen 18 though the increments were marginal. This implies that the quality of coffee has improved during this year.

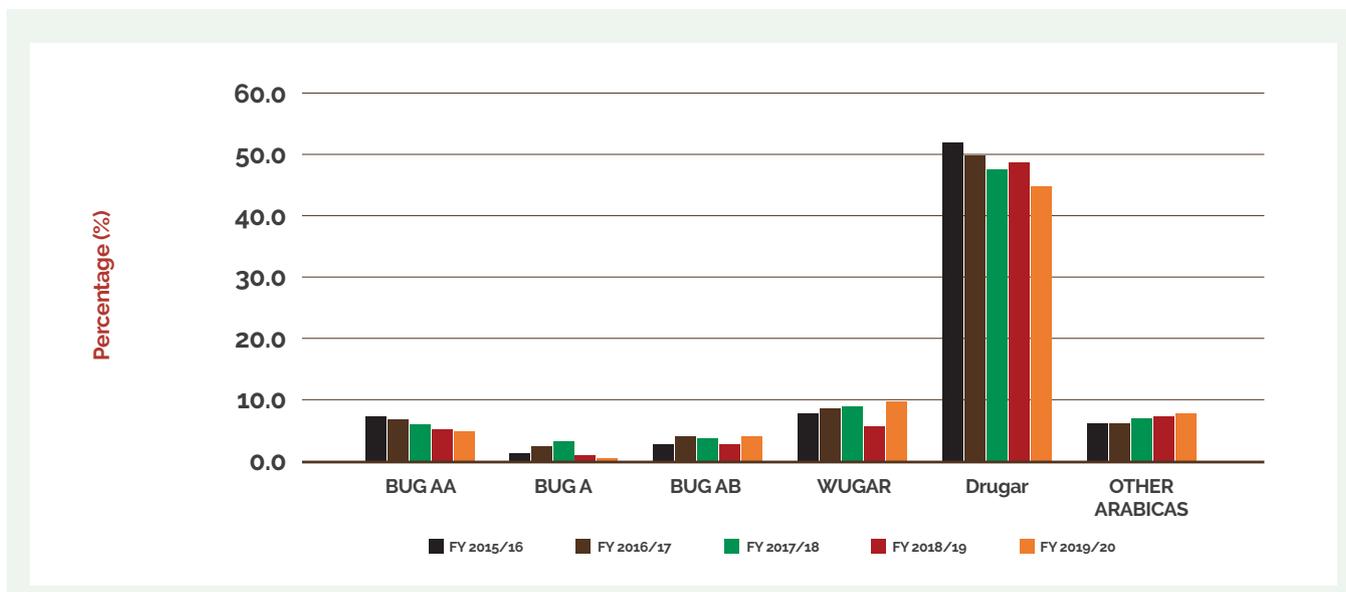
Figure 5. Distribution (% of quantity) of sustainable Coffee-Robusta



It's clear that although Washed Robusta had the highest amounts exported at the beginning of the period, its amounts have dropped off over the last three years, while the exports of Organic Robusta have continued to grow over the same period. However, the percentage of these highly priced coffee is still small (less than 1% of the total Robusta exports).

3.3 Arabica

Figure 6. Distribution of Exported Arabicas by Grade



The exports of DRUGAR contributed 40-50% of exports while BUG AA reduced over time. DRUGAR exports continue to make up the biggest amount of exports compared to the rest. There were minimal increments in the WUGAR and BUG AB exported over the time period except in the year 2018/19, when there was a sharp decline in the amounts. The proportions of WUGAR and Bugisu A+ were below 10% over the five year exports period.

3.3.1 Sustainable Arabica

For most of the sustainable Arabica exports accounting for the largest composition of exports (Mt. Elgon, Bugisu A+, Fully washed Sipi falls and Organic Okoro), the FY 2018/19 had the highest proportions followed by FY 2019/20.

Fully washed Sipi falls exhibited a positive trend over the time period. Organic Okoro showed a positive trend except in FY 2016/17 which seemed to be an outlier. Organic WUGAR and Organic DRUGAR showed a negative trend. This has to be researched further.

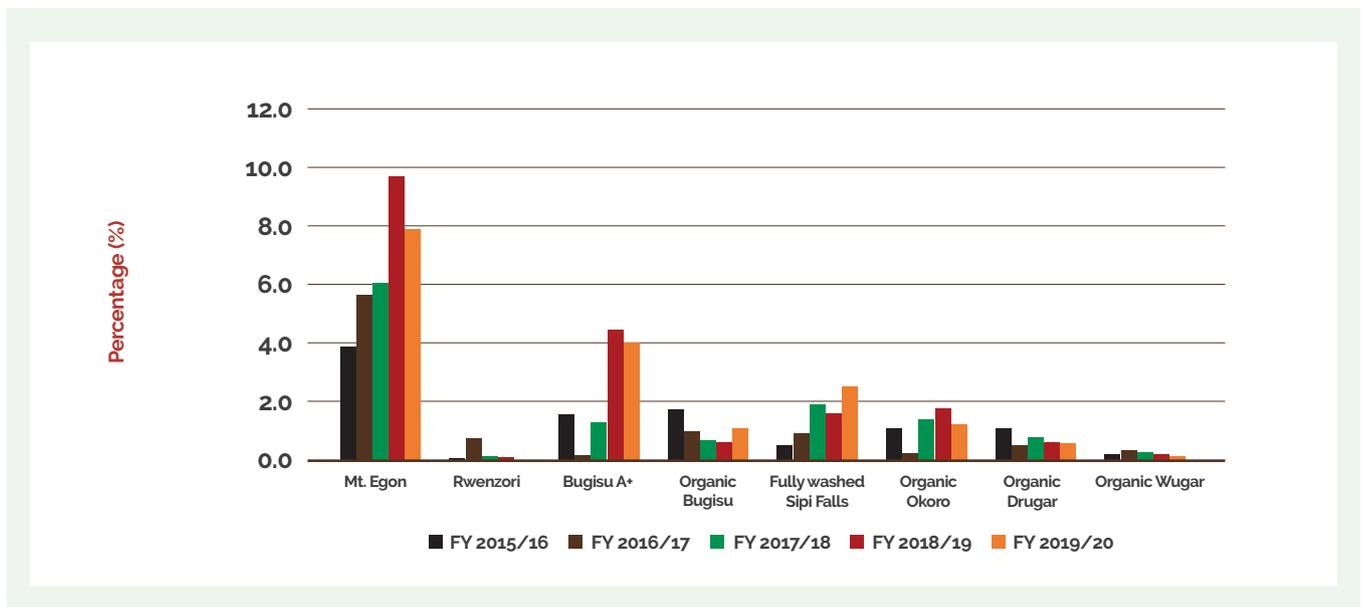
Rwenzori grade was only traded in two years and further research will be carried out since a significant investment has been made in Mt. Rwenzori.

3.4 Conclusion

This chapter focused on the quality of coffee as well as value addition initiatives available. The Authority provides the standards for quality assessment and coffee regulations. This is coupled with continued training on coffee laws and regulations. The quality of coffee has greatly improved as reflected in the increment in sustainable coffee exports notably Mt. Elgon and fully washed Sipi Falls and higher grades (Screen 15 and above).

Barista championships held domestically, regionally and globally have enhanced domestic coffee consumption since capacity of baristas has been built. Exposure to the Yunan Coffee Exchange, China, provided lessons that would enable UCDA to develop a coffee auction system to ensure transparency in trading and price discovery.

Figure 7. Distribution of Sustainable Arabica Coffee Exported





Uganda Coffee Development Authority

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04 CHAPTER FOUR

Market Development and Intelligence

UCDA improves market access for farmers and farmers' organizations; builds competitiveness and market share in traditional markets while promoting entry and penetration in new and emerging markets; Promotes domestic consumption of coffee as a way of enhancing coffee industry competitiveness and developing the domestic coffee market. To do this, the authority conducts market surveys, tracer studies, production surveys, trainings on market dynamics locally and internationally and disseminate coffee information timely.

4.1 Market Information and Intelligence

4.1.1 Export sales contracts

5,095 coffee sales contracts amounting to 5,613,972

60kg bags of coffee were registered from July 2019 to June 2020. This accounted for a 91% performance in export contracts performance during the same period. (Table 2).

A total of 753 Coffee Processing Factories (136 in central, 59 in Eastern, 4 in Elgon, 78 in Rwenzori, 373 in South Western, and 103 in Western); 751 registrations were made under category 'E' that includes buying stores, roasters, and coffee grading facilities (160 in central, 89 in Eastern, 23 in Elgon, 83 in Northern, 118 in Rwenzori, 222 in South Western, and 56 in Western) and a total of 19 washing stations (six in Elgon and three in Northern, six in Rwenzori, two in South West, and two in Eastern) were registered.

Table 2: Monthly Coffee Exports by Type (FY 2019/20)

Month	Robusta		Arabica		Total	
	Quantity	Value	Quantity	Value	Quantity	Value
Jul	386,584	35,338,116	77,125	8,627,139	463,709	43,965,255
Aug	414,940	38,089,869	73,924	8,224,189	488,864	46,314,058
Sep	310,863	28,956,041	51,356	5,703,018	362,219	34,659,059
Oct	303,430	28,119,329	75,501	8,827,000	378,931	36,946,329
Nov	336,366	30,420,946	103,139	11,845,098	439,505	42,266,045
Dec	280,603	24,990,250	49,645	6,877,841	330,248	31,868,091
Jan	376,874	34,286,315	92,789	13,687,806	469,663	47,974,121
Feb	388,980	34,659,016	84,348	12,098,287	473,328	46,757,304
Mar	389,378	33,359,865	91,583	12,780,599	480,961	46,140,464
Apr	262,996	22,577,360	97,297	14,366,692	360,293	36,944,052
May	340,830	29,540,835	96,767	12,938,575	437,597	42,479,411
Jun	345,008	29,119,423	75,555	10,820,246	420,563	39,939,669
Total	4,136,852	369,457,365	969,029	126,796,492	5,105,881	496,253,857

Note: Quantity in 60-kg bags; Value in US\$

4.1.2 Coffee export Performance

The total coffee exports for FY 2019/20 amounted to 5,105,881-kilo bags of coffee worth US\$ 496.25 million compared to 4,168,408 60kg bags of coffee worth US\$ 415 million the previous year 2018/19. This represents a 23% and 20% increase in both quantity and value respectively. Robusta exports amounted to 4.14 million bags worth US\$ 369.5 million compared to 3.2 million bags and US\$ 301.7 million last year. This represents an increase of 28.9% and 22.4% in quantity and value respectively. Similarly, Arabica exports amounted to 969,029 bags worth US\$ 126.8 million bags compared to 957,884 bags worth US\$ 113.4 million last year. This represents 1.2% and 11.8% increase in quantity and value respectively.

Projected exports for FY 2019/20 were: 5.17 million bags valued at US\$ 524.40 million compared to actual exports of 5.1 million bags valued at US\$ 496.2 million gave a performance of 99% and 94% of projected quantity and value respectively. This reflects UCDA's robust methodology used to project annual coffee exports.

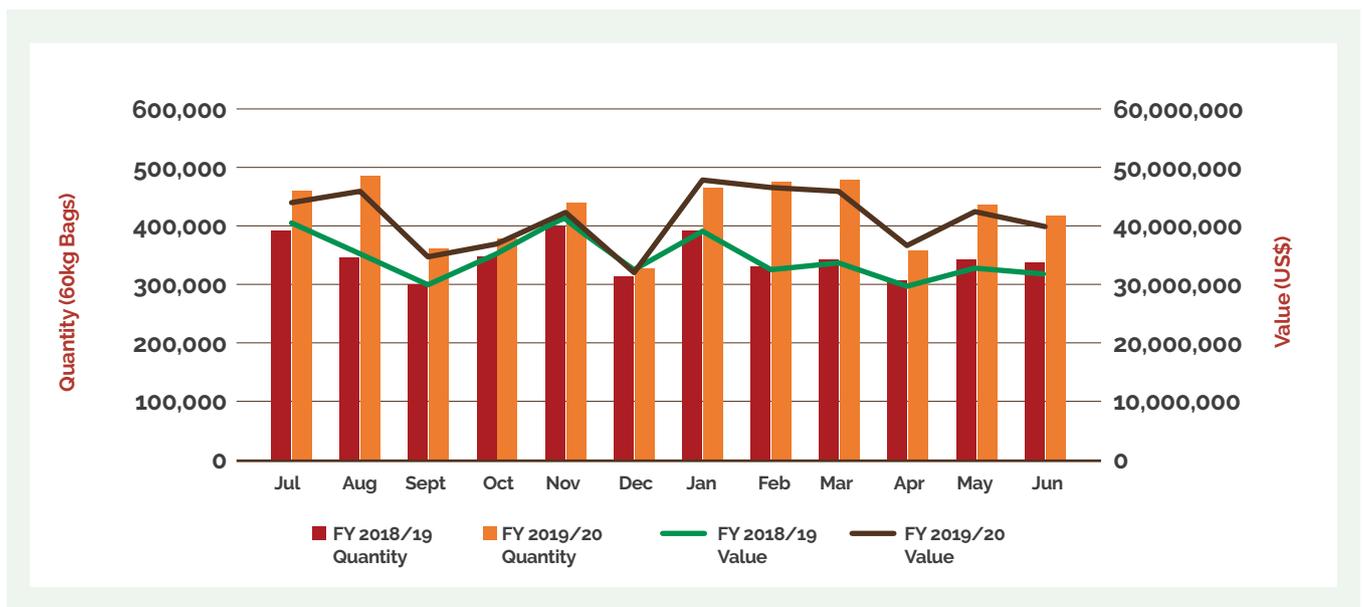
Figure 8 shows the monthly export performance of FY

2018/19 compared to FY 2019/20. It is evident that in spite of the Covid-19 pandemic in the last four months of the FY 2019/20, export quantities and values were higher than those in FY 2018/19. The major determinants were: newly planted coffee coming into production, favourable weather and cargo movement even during the pandemic period.

4.2 Uganda's Coffee Exports Price Differentiation by Grade

Table 3 shows Uganda's Coffee exports by type and grade during FY 2019/20. The table shows that engaging in sustainable/certified or speciality coffees is worthwhile as reflected in the price premiums offered, the high certification costs notwithstanding. For instance, the average price of Organic Robusta and Screen 18 Fair Trade was sold at an average price of US\$ 2.02 per kg and US\$ 2.23 per kg respectively compared to conventional Screen 18 which was sold at an average of US\$ 1.63 per kg. This represents a premium of 40 cents and 60 cents respectively. Screen 15 Fair Trade and Screen 15 Organic were also sold at an average price of US\$ 2.35 and US\$ 2.23 per kg respectively, a premium of 83 and 71 US cents over conventional Screen 15 sold at an average price of US\$ 1.52 per kg.

Figure 8. Comparative coffee exports for FYS 2018/19 and 2019/20



The premiums were even higher in Arabica Coffee exports where Mt. Elgon was sold at an average price of US\$ 6.61 per kg followed by Sustainable Arabica (Sipi Falls) which was sold at US\$ 4.39 per kg. This represents a premium of US cents 396 and 174 cents respectively over Conventional Bugisu AA sold at US\$ 2.65 per kg. Organic WUGAR and Organic DRUGAR were sold at an average price of US\$ 3.16 and 2.86 per kg compared to US\$ 2.41 and 1.93 per kg, a premium of 75 and 93 cents above conventional WUGAR and DRUGAR respectively. This shows that investment in sustainable coffees is worthwhile and if certification costs could be reduced,

farmers could be encouraged to invest in sustainable coffee production.

The table also shows 8% of Robusta coffee sold was as Screen 17 at an average price of US\$ 1.63 per kg, 11 cents higher than the traditional Screen 15 and fetching the same price as Screen 18. The other grades, Screen 13 and Screen 14 which were traditionally graded as Screen 12 sold at US\$ 1.44 per kg had a marginal premium of only 2 cents for Screen 13 and a discount of 1 US cent for Screen 14 with correspondingly small volumes traded.

Table 3: Uganda's coffee exports by grade for Financial Year 2019/20, Quantity; 60kg bags and Value; US\$ and Unit Value in US\$ per Kg

Grade	Quantity	%age share	Value	%age share	Unit value
Organic Robusta	23,671	0.57	2,868,759	0.78	2.02
Washed Robusta	20,956	0.51	2,427,640	0.66	1.93
Screen 18 Fair Trade	960	0.02	128,255	0.03	2.23
Screen 15 Organic	270	0.01	36,072	0.01	2.23
Screen 15 Fair Trade	2,880	0.07	405,929	0.11	2.35
Screen 18	388,573	9.39	38,109,694	10.31	1.63
Screen 17	292,263	7.06	28,581,296	7.74	1.63
Screen 15	2,116,476	51.16	192,810,180	52.18	1.52
Screen 14	22,766	0.55	1,955,619	0.53	1.43
Screen 13	22,320	0.54	1,952,146	0.53	1.46
Screen 12	743,127	17.96	64,272,209	17.39	1.44
Bhp 1199	257,520	6.23	17,579,836	4.76	1.14
Other Robustas	245,070	5.92	18,360,842	4.97	1.25
Total Robusta	4,136,852	100.00	369,488,476	100.00	1.49
Bugisu Organic	10,603	1.09	1,901,103	1.50	2.99
Organic Okoro	12,200	1.26	1,953,917	1.54	2.67
Sustainable Arabica (Fw Sipi Falls)	24,335	2.51	6,405,880	5.05	4.39
Organic WUGAR	960	0.10	182,012	0.14	3.16
Organic DRUGAR	5,659	0.58	971,198	0.77	2.86
Okoro A+	320	0.03	55,006	0.04	2.86
Mt Elgon A+	75,477	7.79	12,197,135	9.62	2.69
Mt Elgon AA	502	0.05	88,096	0.07	2.92
Mt Elgon A	28	0.00	11,111	0.01	6.61
Bugisu A+	38,740	4.00	5,581,050	4.40	2.40
Bugisu AA	56,594	5.84	9,013,994	7.11	2.65

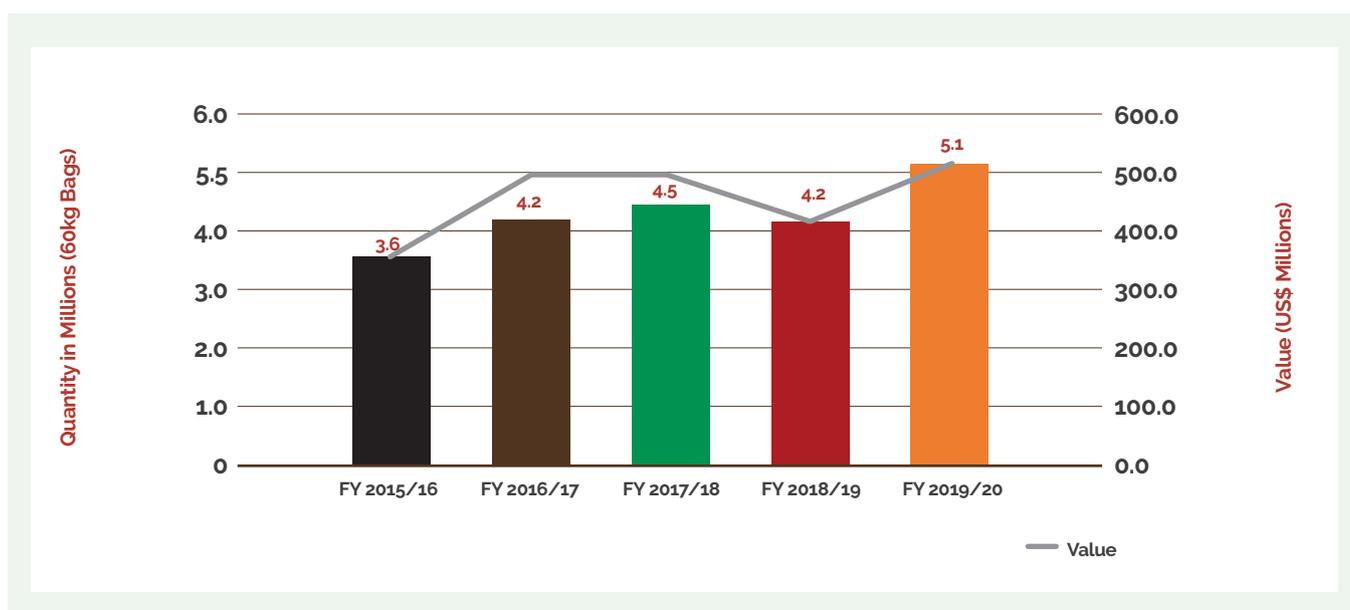
Grade	Quantity	%age share	Value	%age share	Unit value
Bugisu A	638	0.07	104,054	0.08	2.72
Bugisu AB	43,708	4.51	6,490,080	5.12	2.47
Bugisu PB	505	0.05	73,318	0.06	2.42
Bugisu C/PB	3,990	0.41	596,734	0.47	2.49
Bugisu B	206	0.02	27,811	0.02	2.25
Bugisu C	640	0.07	82,371	0.06	2.15
Mixed Arabica	5,440	0.56	755,212	0.60	2.31
WUGAR	109,228	11.27	15,796,444	12.46	2.41
DRUGAR	501,142	51.72	57,905,955	45.67	1.93
Other Arabicas	78,114	8.06	6,604,010	5.21	1.41
Total Arabica	969,029	100.00	126,796,492	100.00	2.18
Grand Total	5,105,881		496,284,968		1.62

4.3 Exports Performance compared to the Targets

As per the National Coffee strategy, the targeted exports for FY 2019/20 were 5,282,100 60kg bags worth US\$ 1.1 billion giving a performance of 97% in quantity and 45% in value. The lower value performance is attributed to a higher projected export value since it had been envisaged that at the end of the five years, the proportion of certified coffees would have increased from 3% to 45%. This was not the case.

Figure 9 shows the annual coffee exports trend from FY 2015/16 to FY 2019/20. There is a positive trend in the quantity of coffee exports except for the FY 2018/19 which was characterized by a drought shock. The volume exhibited a positive trend from 3.6 million bags in FY 2015/16 to 5.1 million bags in FY 2019/20, a 42% increase. The corresponding value rose from US\$ 352 million to US\$ 496 million, a 41% increase.

Figure 9. Trend of Coffee Export by Quantity and Value



At the end of the FY 2019/20, closing stocks at export level were estimated at 1.3 million 60kg bags on account of lower global prices because of the Covid-19 pandemic.

4.4 Coffee Price Trends

Figures 10 and 11 show the price trends of different coffee grades for conventional and sustainable/certified coffees. A negative trend is exhibited in all grades from FY 2016/17 up to FY 2019/20. This is due to lower global prices which were exhibited on the global markets (both Robusta and Arabica). Majority of grades were sold above US\$ 1.2 per kg. Highest price was for Robusta Utze which fetched a price of US\$ 2.4 per kg in FY 2016/17.

The highest price for Screen 18 was US\$ 2.0 per kg in FY 2016/17 while the lowest was US\$ 1.65 per kilo. What is worth noting is that the average price of Screen 17 which was curved out of Screen 15 is almost similar to that of Screen 18 and definitely higher than price of Screen 15 during the 5 years. Average prices for Screen 13 and 14 are significantly higher than Screen 12 but quantities exported during the 5 years were very small, reflecting lower demand for these particular grades.

For sustainable coffees, the prices of Organic Robusta and Washed Coffee were significantly higher than that of Screen 18 taken as the benchmark for conventional coffee.

4.5 Farm gate Prices (Discovery at Farmer Level)

Figure 12 shows the 5-year trend of farm gate prices for both Robusta and Arabica. There is generally a downward trend from FY 2016/17 up to FY 2019/20. This was on account of low but also fluctuating global prices which were translated into low farm gate prices. The prices of Robusta Kiboko and Arabica parchment dropped from US\$ 0.68 and 1.71 per kg in FY 2016/17 to US\$ 0.56 and 1.41 per kg respectively in FY 2019/20.

Similarly, Arabica DRUGAR dropped from US\$ 1.65 per kg to US\$ 1.42 per kg in FY 2019/20, also depicting a negative price trend. By the time the Covid-19 pandemic set in around March 2020, prices were already exhibiting a negative trend and just exacerbated the situation.

In order to ascertain whether there has been price discovery at farm level during the last 5 years, farm gate prices are compared with export prices. This

Figure 10. Robusta Weighted Average Export Prices from FY 2015/16 to FY 2019/20

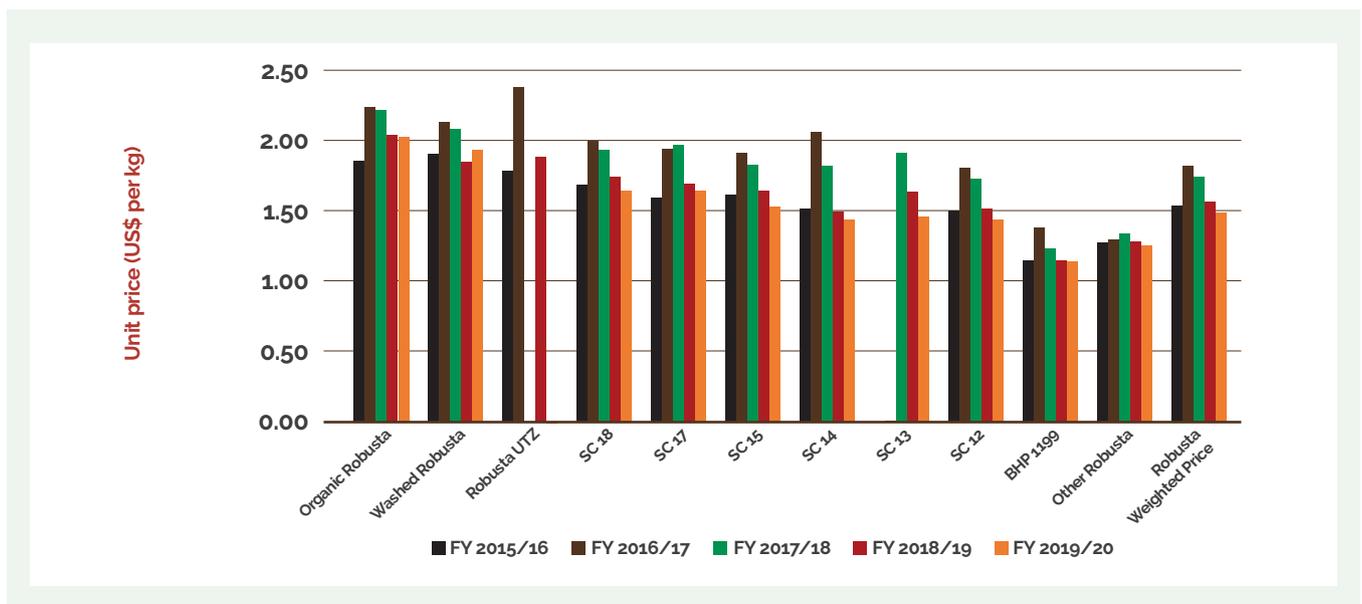


Figure 11. Arabica Weighted Average Export Prices by Grade from FY 2015/16 to FY2019/20

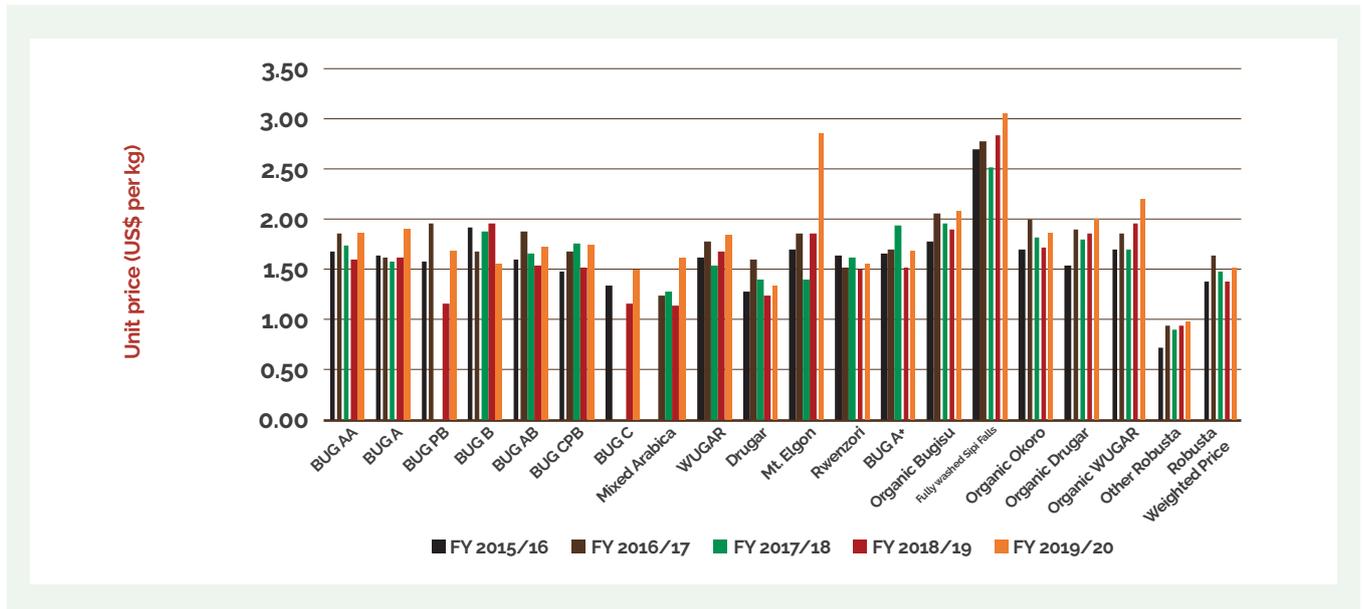
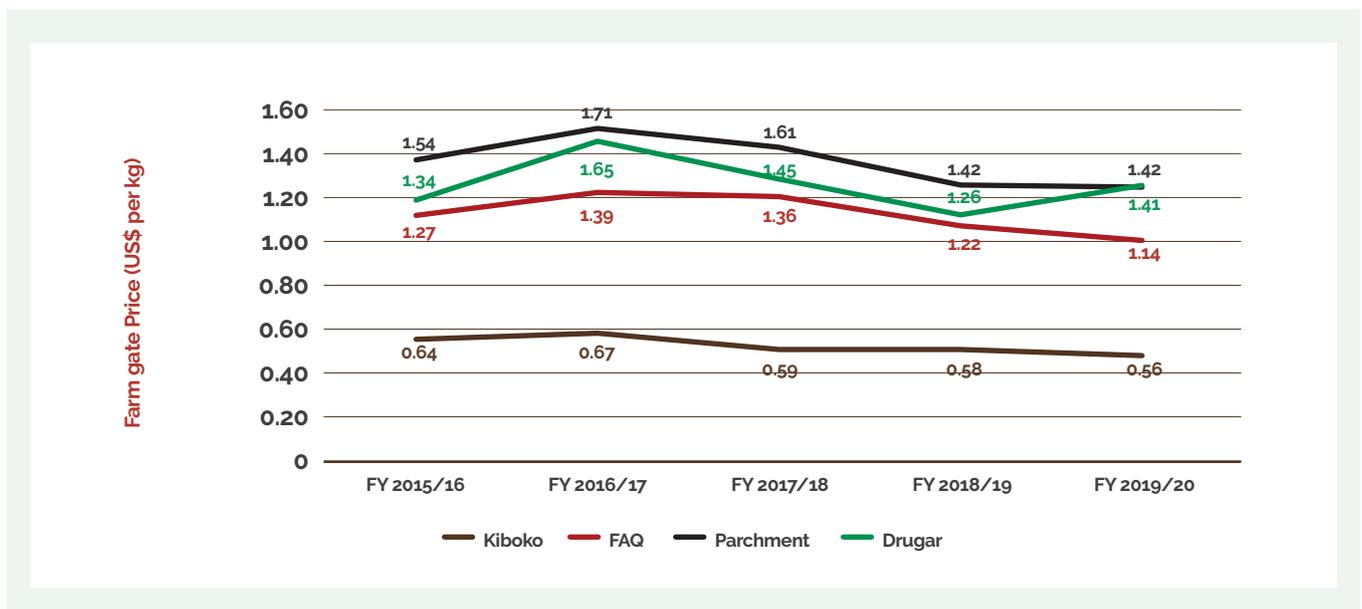


Figure 12. Farm gate Price Trends by Coffee Type and Form from FY 2015/16 to FY2019/20



is done after Kiboko and parchment prices have been converted into FAQ equivalent by applying a conversion factor (based on average outturn) of 0.55 for Robusta and 0.8 for Arabica.

Figure 13 shows Robusta Kiboko prices, Arabica parchment prices as well as DRUGAR prices separately. Figure 14 shows a negative trend in

Average Robusta export price while the farmgate price remained almost the same in the 5 years.

This is attributed to efficiency at export level which forces buyers (traders and exporters agents) to buy at relatively higher prices. Percentage share of the export price ranged between 65-70% except in FY 2017/18.

Figure 13. Average Robusta Price Compared to Average Robusta Price

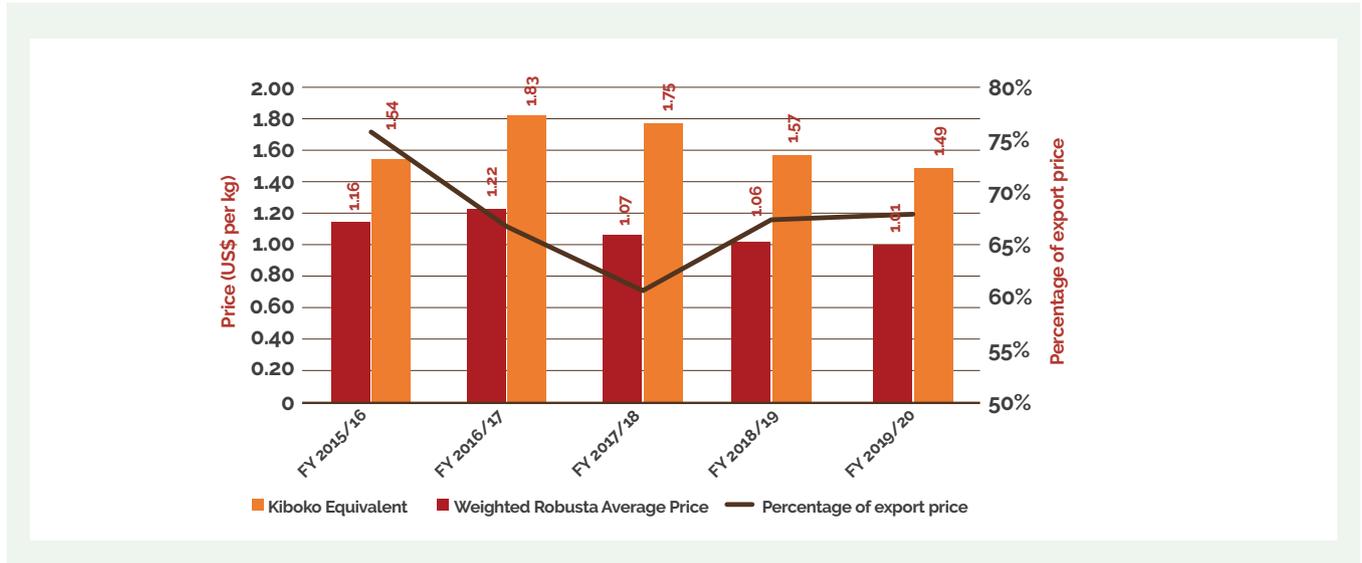


Figure 15 shows a high and consistent proportion of the farm gate price (80%) compared to the export price (Bugisu AA) except for FY 2018/19 and FY 2019/2020 when it dropped to 75% and 65% respectively. This is attributed to the high demand from exporters from a relatively smaller crop. It also reflects that Arabica farmers utilize the price and market information disseminated by UCDA on a daily basis and are able to negotiate for higher prices.

Figure 14. Average Parchment Price Compared to Bugisu AA Price

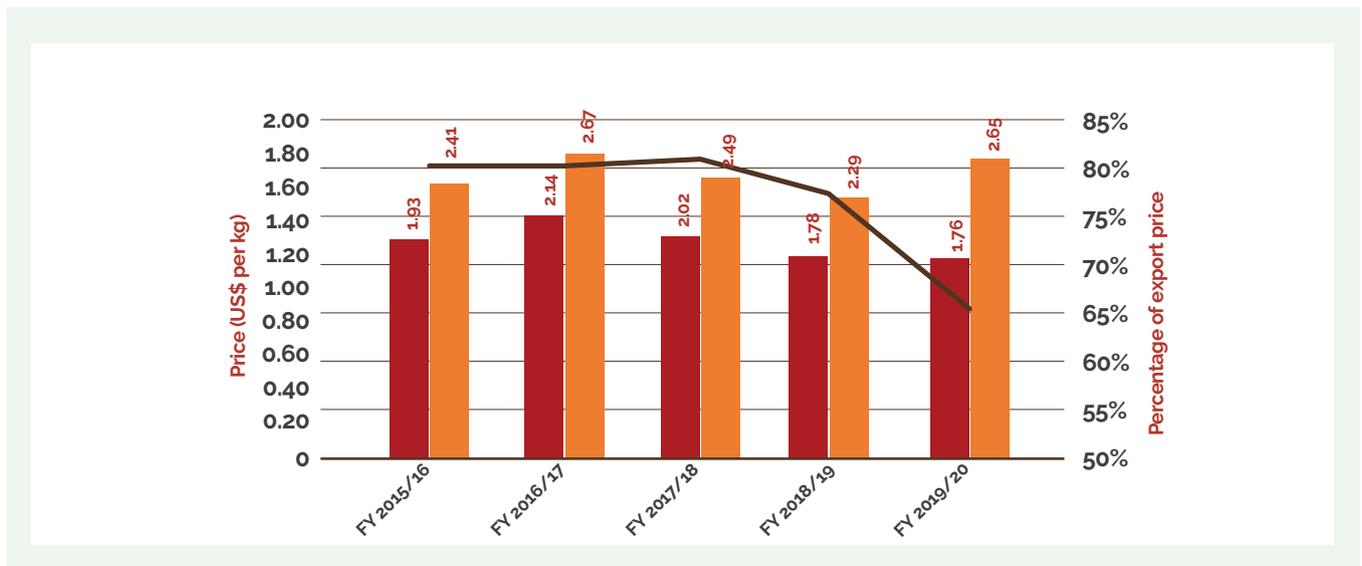
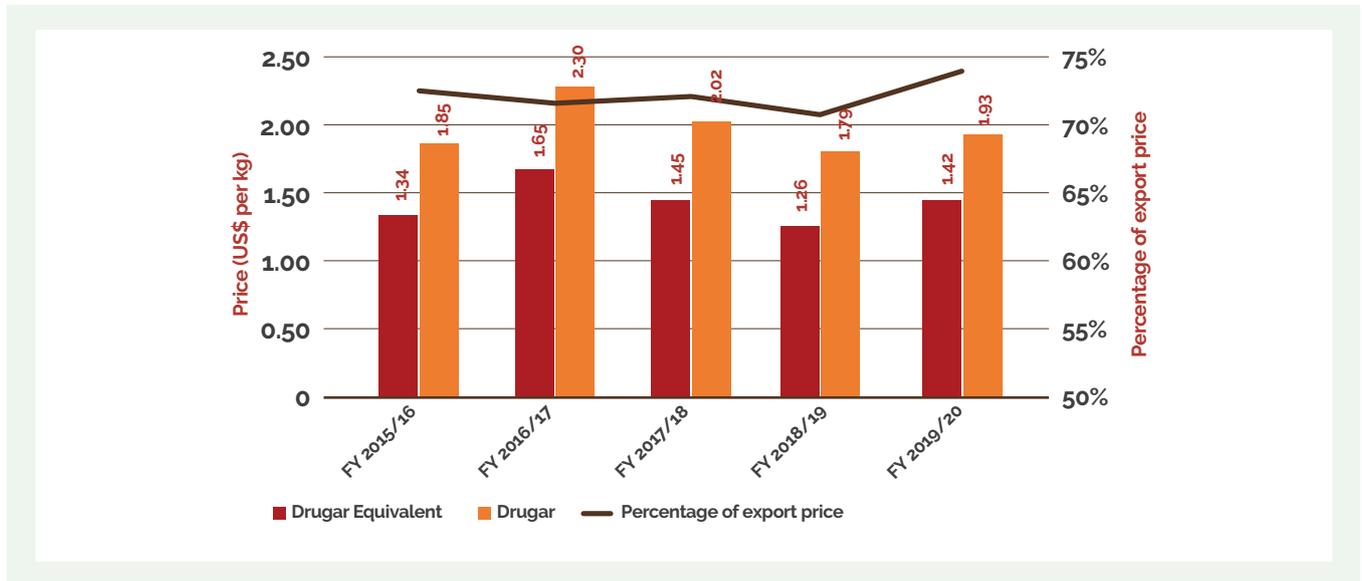


Figure 15. Average DRUGAR FAQ Price Compared to DRUGAR Export Price



4.6 Price Discovery at Exporter Level

Figures 16 and 17 show a comparison between realized Coffee Export prices and global prices on a monthly basis during FY 2019/20.

It is clear that Washed Robusta was sold above the ICO global Robusta price (Figure 16) The graph also shows Screen 18 being traded above the LIFFE Robusta price while realized Screen 15 export price is in line with the LIFFE Robusta price.

This reflects intrinsic attributes of Ugandan Robusta coffee especially Screen 18 that attracts a premium above the terminal market. This indicates that there is price discovery at exporter level whereby exporters do monitor the global market and trade according to the direction of the market.

There is also a very high correlation coefficient between the UCDA indicative export prices disseminated to stakeholders and the realized export price. This reflects market transparency at this level.

Figure 16. Comparison Between the Ugandan Robusta Realized Coffee Export Prices and Global Robusta Prices in FY 2019/20

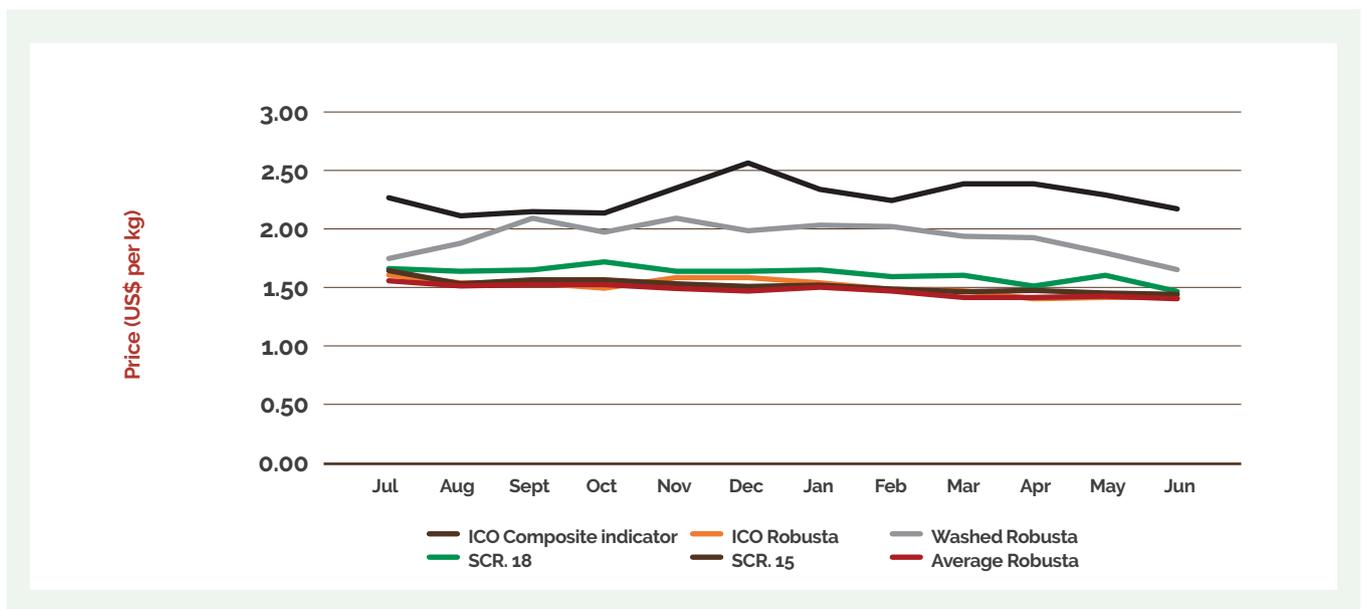
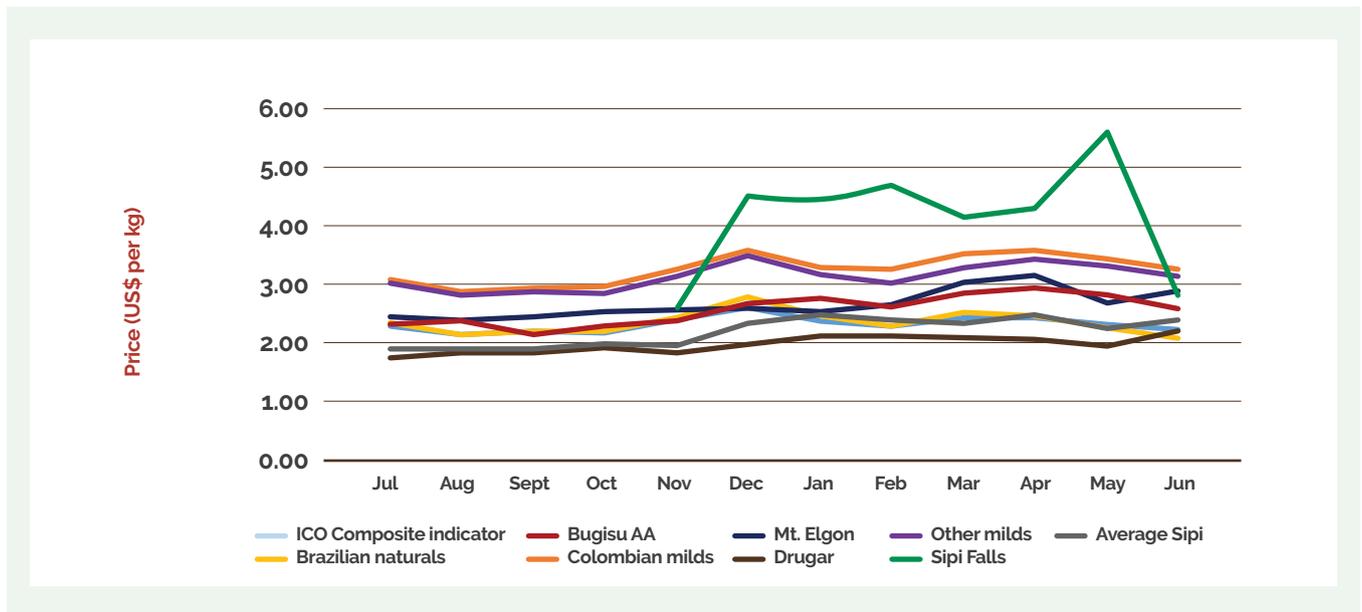


Figure 17 Shows the investments made in sustainable coffees during the last five years. There is a significant price differential between Sustainable Fully Washed Arabica (Sip Falls) which attracted an average price of about US\$ 5.5 per kg in May 2020 during the Covid-19 period before dropping to about US\$ 2.5 per kg in

June 2020 due to a drop in demand for sustainable coffee. The monthly price for Sipi Falls was above the Colombian Milds, Other Milds and Brazilian Naturals. This implies that if more Arabica coffee could be transformed into sustainable coffees, more revenue would be generated.

Figure 17. Comparison Between the Ugandan Arabica Realized Coffee Export Prices and Other Arabica Origins in FY 2019/20



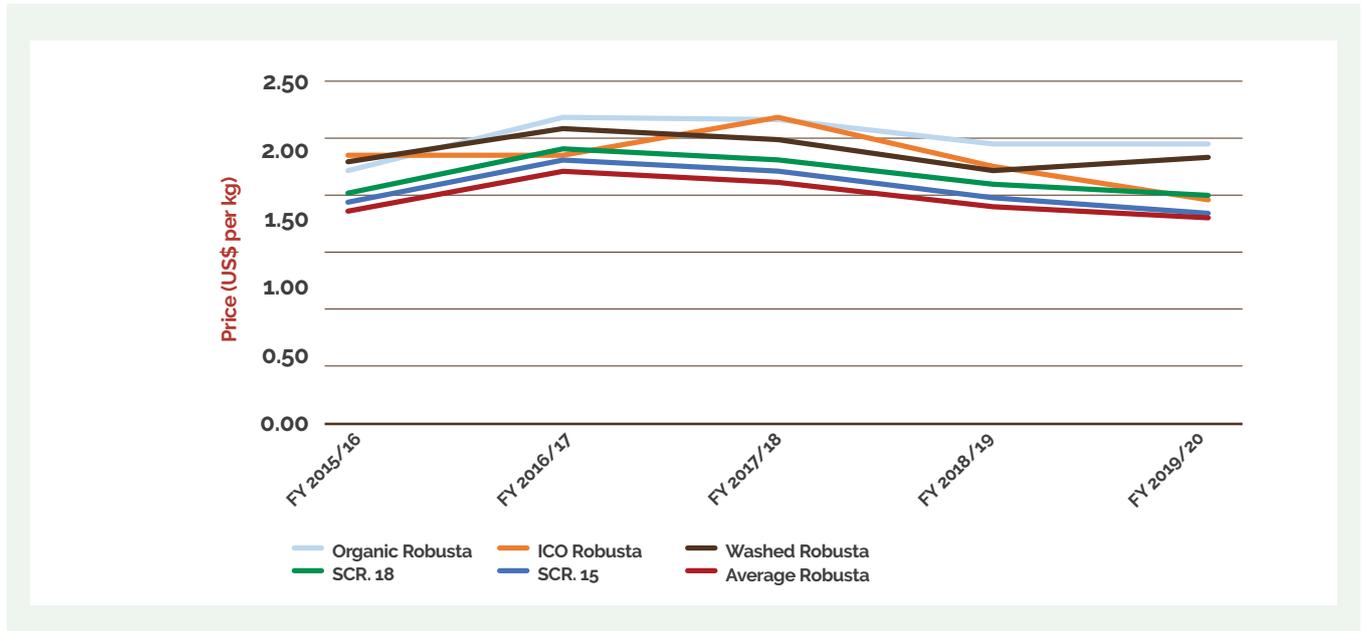
4.7 Trend Analysis of Price Performance compared to Global Price Indicators

Figures 18 and 19 illustrate the price comparison of Uganda's coffee exported grades and the global prices of the major coffee origins: Colombian Milds, Other Milds, Brazilian Naturals and Robusta. For Robusta,

Uganda's Conventional Grades Screen 18 and Screen 15 (Standard) compete favourably and are higher than the ICO Composite Indicator price.

The prices of Washed Robusta and Organic Robusta are far above the ICO Robusta prices.

Figure 18. Average Robusta coffee Export prices compared to Prices of Global Robusta Coffee



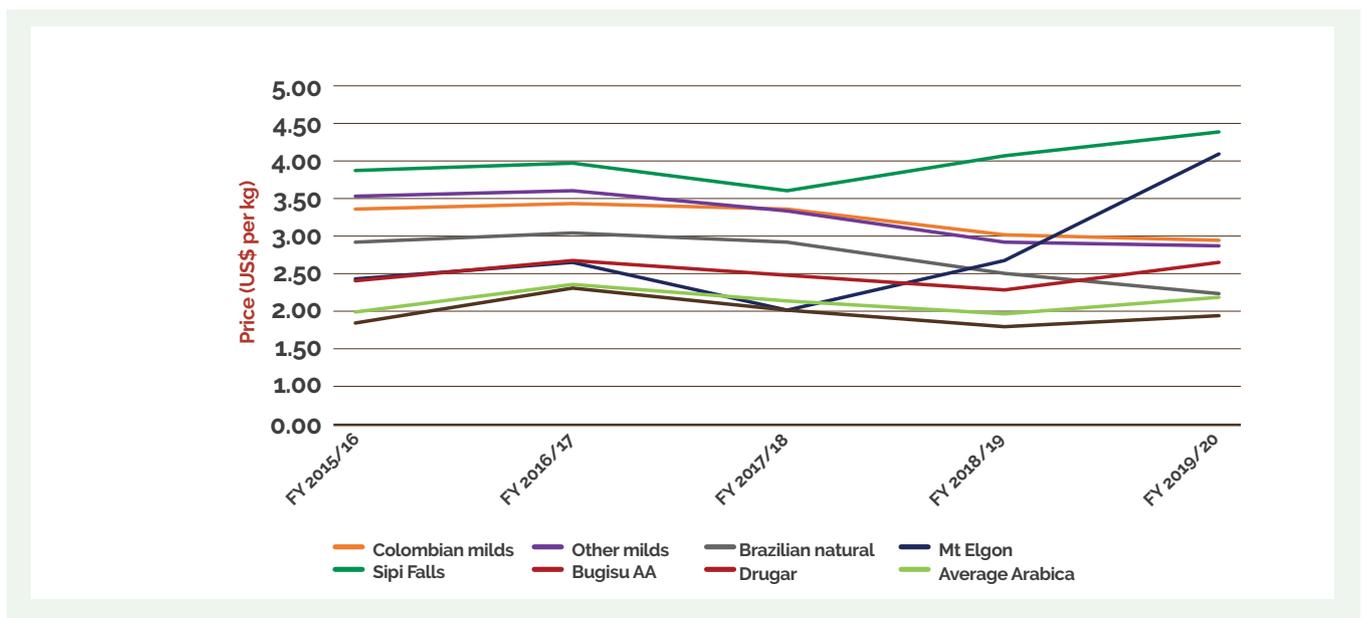
The average price for Organic Robusta was the highest at US\$ 2.4 per kg since FY 2016/17, reflecting that there is a premium price paid for sustainable/ speciality coffees over the conventional coffees.

However, the percentage of sustainable/speciality coffees exports is still small (about 4%) and therefore has

got little impact on the overall average price for Robusta.

It should be noted however, that the price gap between Uganda's Robusta and ICO Robustas is small compared to the Arabicas reflecting competitiveness of Uganda's Robustas.

Figure 19. Average Arabica coffee Export prices compared to Prices of Other Coffee Origins



Comparing the average prices for Arabica coffee for the five years, Sipi Falls fetched the highest price. There has been a significant increase in prices of Sipi Falls and Mt. Elgon since FY 2017/18 reflecting increasing demand for sustainable coffees. Bugisu AA however, was below the Colombian Milds, Brazilian naturals and other Milds. DRUGAR coffee which is about 50% of Uganda's Arabica exports had the lowest price amongst the Arabicas and this had an impact on the overall average price of Uganda Arabica coffee.

4.8 Trend analysis of coffee exports by grade

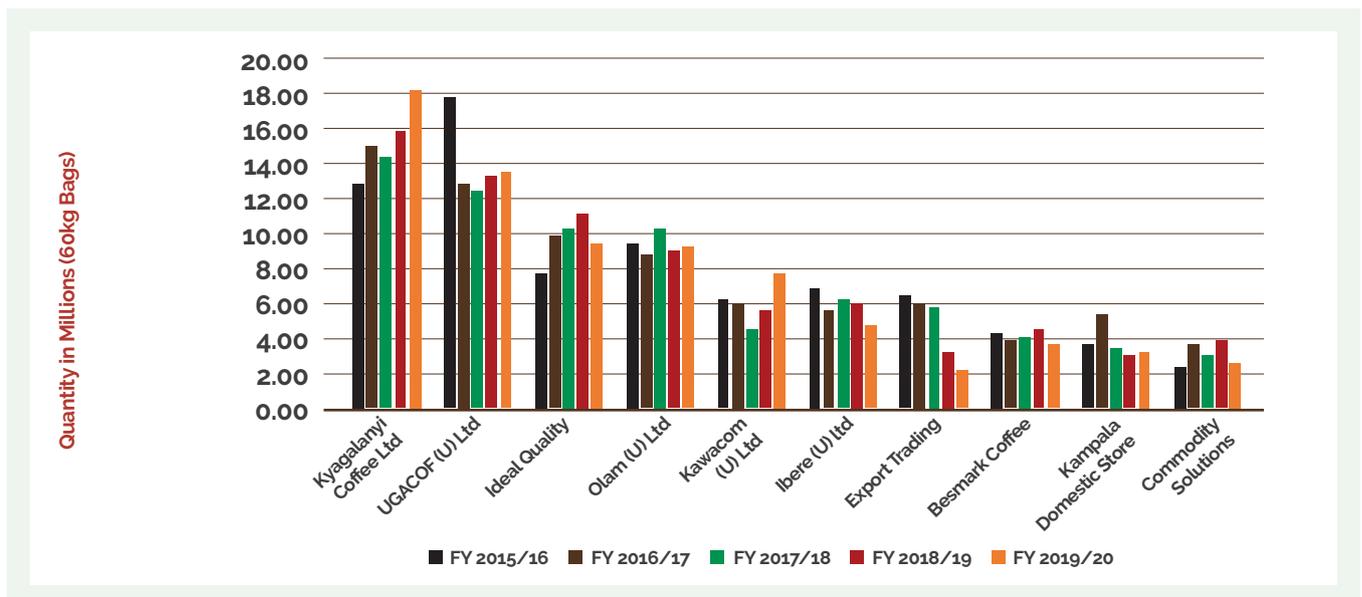
In the 5 years of implementation of the National Coffee Strategy, there has been improvement in the quality of coffee exported as illustrated in the figures 20, 21 and 22 below. For Robusta, we observe a reduction in percentage of Screen 12 for the last 3 years and a corresponding

increase in Screen 15 percentage, reflecting quality improvement (larger bean size). Secondly, we observe a positive trend in Screens 17 and Screen 18 in the last 3 years though percentages are still low. The percentage of BHP 119g has also remained below 10% and almost constant over the 5-year period.

On the Arabica side, a negative trend in proportion of DRUGAR in total Arabica exports from 60% in FY 2015/16 to 51% in FY 2019/20 shows a shift towards washed Arabica which attracts higher prices compared to DRUGAR. We note a positive trend in Sustainable coffees especially Arabica with proportion of Mt. Elgon grade increasing from just below 4% of total Arabica exports in FY 2015/16 to close to 10% in FY 2018/19 before reducing to 8% in FY 2019/20. Sustainable Robusta proportions still remain small although increasing.

4.9 Trend Analysis of Coffee Exports by Exporter

Figure 20. Percentage market share for exporters

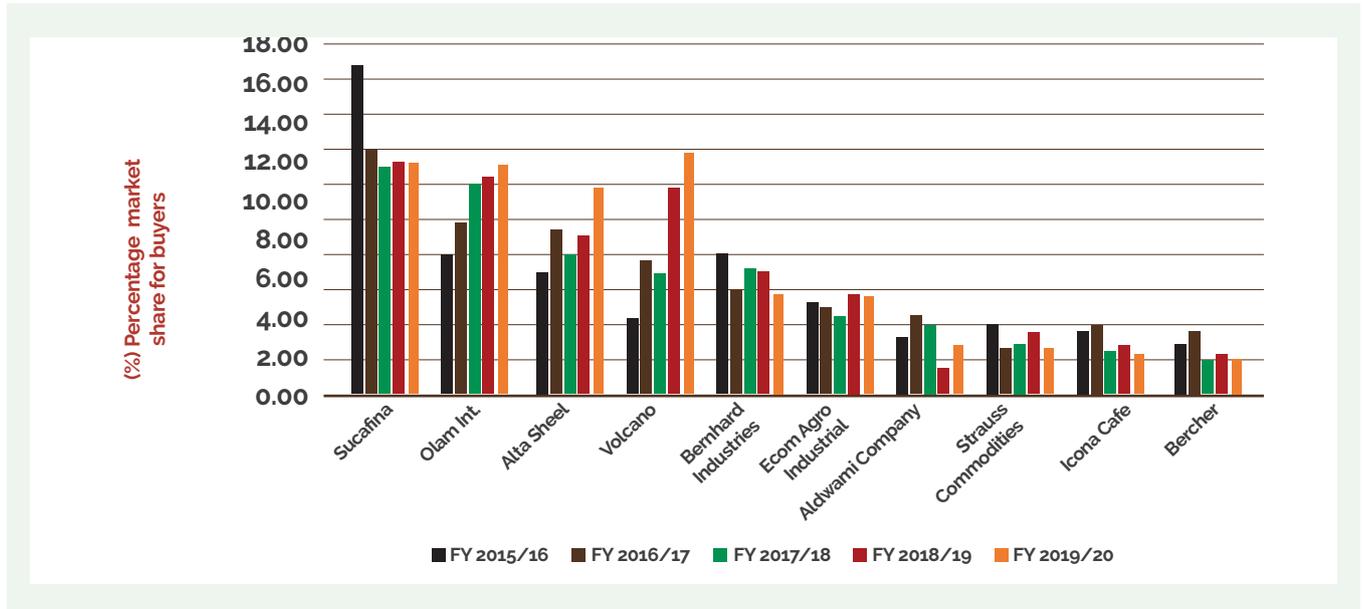


Kyagalanyi Coffee Ltd has had the highest market share for the last five years and its market share has been on an increase from 13% in FY 2015/16 to 18% in FY 2019/20.

The average market share for the top ten exporters for the five years has been about 74%.

4.10 Trend Analysis of Coffee Exports by Buyers

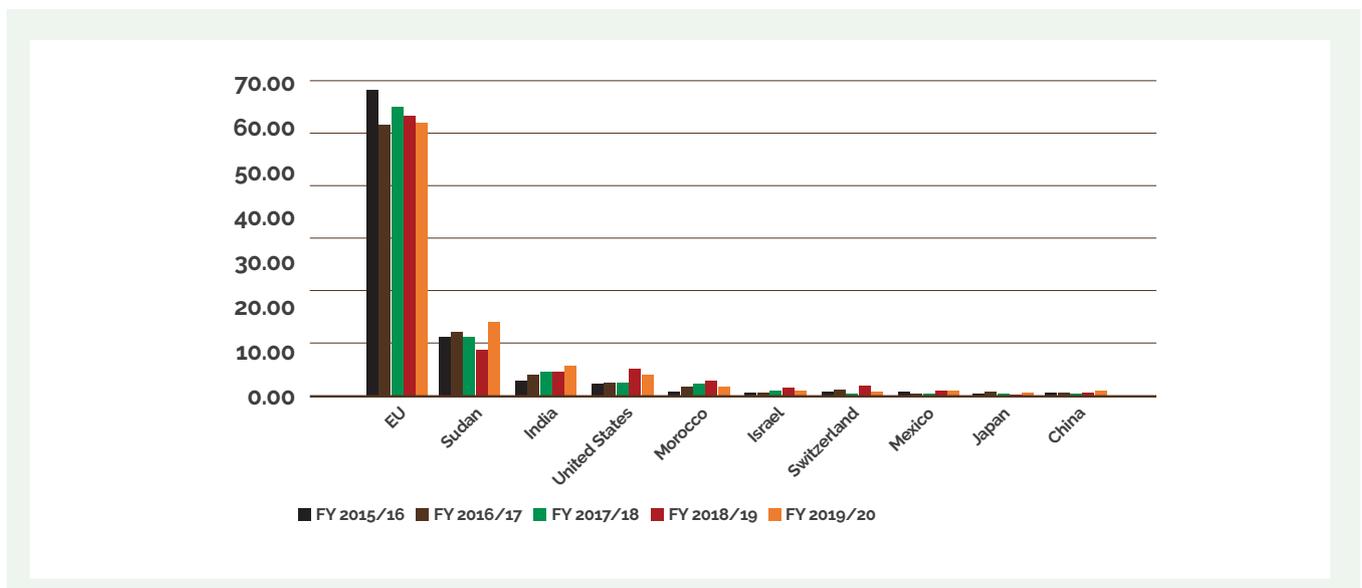
Figure 21. Percentage market share for buyers



Sucafina has maintained the top market share of the buyers of Uganda’s coffee for the last five years. The top ten buyers have had an average of about 60% market share with buyers changing positions which reflects competition for Uganda’s coffee. Olam Internation has showed a positive trend during the five years, increasing from 8% to 11%. The same trend is depicted with Volcano and Ecom Agro Industries. Decreasing trend is exhibited by Icona Cafe and Bernhard Industries.

4.11 Trend Analysis of Coffee Exports by Destination

Figure 22. Coffee exports by destination



Over the years European Union countries have dominated Uganda's coffee exports with Italy being the biggest importer followed by Germany among the EU countries. Sudan remains the biggest importer among Africa countries followed by Morocco. Japan, South Korea, Singapore, Mexico, Russia and Turkey are notably among the emerging markets whose coffee market share has been increasing.

4.12 Comparative Analysis of Coffee with Other Ugandan Exports

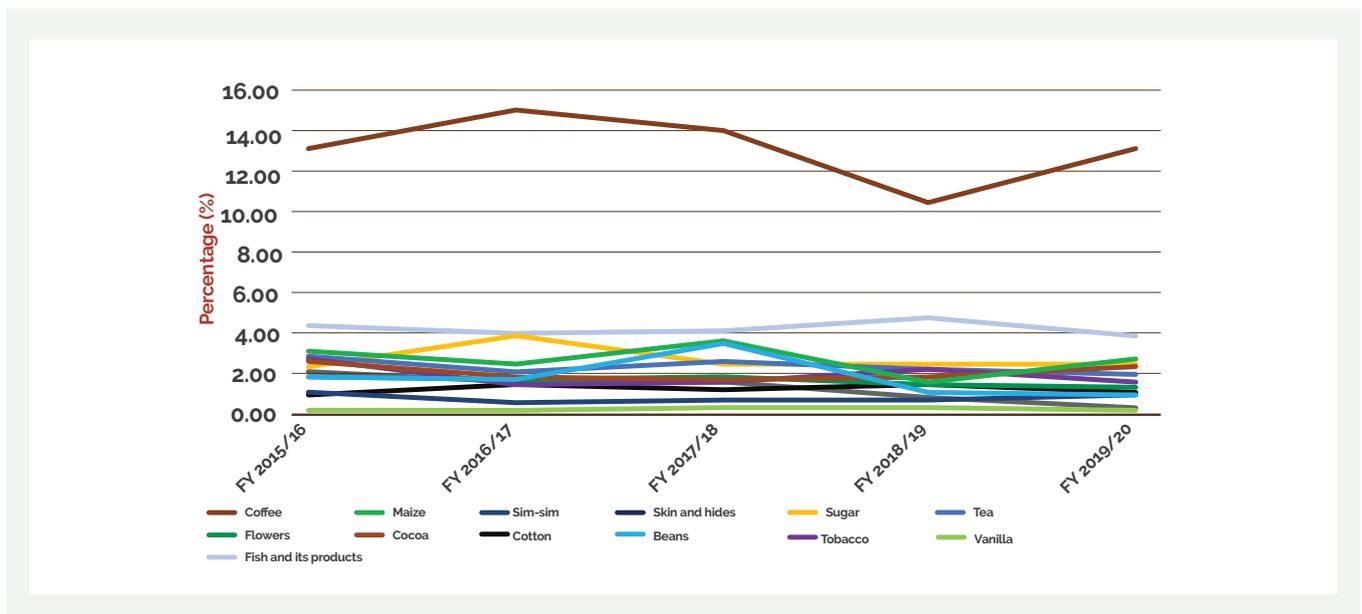
Coffee continues to play a big role as a major foreign

exchange earner. Amongst the agricultural products, it was the biggest contributor in the five years earning over 13% of the total export value for Uganda (Figure 23).

The value of coffee increased from US\$ 352 million in 2015/16 to US\$ 496 million in FY 2019/20.

However, the unit value decreased from US\$ 1.65 per kilo to US\$ 1.62 per kilo and this was mostly due to the global Covid-19 pandemic that saw many countries go into lockdown hence limiting consumption.

Figure 23. Comparative analysis of Uganda's exports for the period 2015/16 to 2019/20



Source: Bank of Uganda

4.12.1 Closing stocks

The exporter stocks as at end of June 2019 stood at 1.28 million bags (Robusta= 870,426 and Arabica= 405,642). End of June 2020 coffee stocks at for Exporter level were at 1.27 million bags (Robusta= 895,981; Arabica= 405,482 bags).

4.12.2 Production Surveys

Two production surveys were conducted in Busoga, Greater Masaka, Bunyoro and Central regions in 27 districts. The gross estimated production from the regions was 10

million bags in FY 2019/20 before offsetting the harvesting and post-harvest losses which are estimated at 40%.

4.12.3 Dissemination

Coffee market reports are disseminated daily using various platforms to convey the market prices and dynamics in the global and domestic coffee market.

A total of 264 Daily Coffee Market Reports and 12 Monthly Market Reports were produced and disseminated to stakeholders.

4.12.4 Capacity Building of staff

UCDA trained ten (10) staff on global coffee trade dynamics including price risk management. The training was facilitated by the Africa Coffee Academy (ACA).

This equipped UCDA staff with Knowledge on local and international coffee trading dynamics; the fundamental and technical factors that drive the global coffee market; the principles of price risk management to monitor and manage their exposure to price risk and applying break even models to coffee pricing strategies

4.13 Strategy and Business Development

4.13.1 Training of farmers

A total of 1,152 (646 Male, 377 Female and 129 Youth) lead farmers from 12 Farmers organization drawn from Lango (Wiodyek Oil Seed ACE, Mid-North Coffee Farmers' Cooperative, Awei Agali Oil Seed Farmers ACE, Oyam Farmers' Cooperative Union and Chegere ACE) and West Nile sub regions (Logiri Farmers' Cooperative Society, Yumbe DFA, Kei Farmers' Cooperative, Poroporo Farmers' Cooperative, Koturo Farmers' Cooperative Society, Kuluba Farmers' Cooperative and Okoro Coffee Cooperative Union.) The training covered the following areas:

- Introduction to cooperatives: Meaning of cooperatives, types of cooperatives, cooperative values and principles, cooperative governance



Group Chairman and CEO of Africa Coffee Academy: Owek. Robert Waggwa Nsibirwa Training on price risk assessment

and the roles and responsibilities of members, leaders and management.

- Collective production, bulking and marketing: Introduction to collective production, bulking and marketing, benefits of cooperation in marketing, challenges of collective marketing, market linkages and the role of members and the leaders in collective bulking and marketing.
- Business development: Meaning of business, growing coffee as a business, how members can effectively run their businesses using a cooperative model, competitive environment and how to overcome competition.
- From the trainings, it was evident that the challenges faced by all the farmer cooperatives mobilized and sensitized were the same and therefore a concept note was developed to guide the development of a training manual with regards to the establishment and management of cooperatives, marketing in the coffee value chain be used by the Cooperatives.
- The coffee Sector Strategy 2020/21-2024/25 was drafted and developed as well as the draft ASSP3 with Coffee Roadmap aligned to NDP3. Additionally, the Cocoa Regulatory Impact Assessment (RIA) Report was approved by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) as well as validating the draft Clonal Robusta Coffee Nursery manual.
- The Uganda Coffee Development Authority (UCDA) participated in the African Fine Coffees Association (AFCA) Conference and Exhibition and the East African Community (EAC) Coffee Business forum in Mombasa, Kenya whereby UCDA staff were involved in 3 panel discussions on: 1) Removing Trade Barriers in the East African Community to Boost Coffee Exports, a case for Uganda; 2) Defining the role of National Coffee Strategies/Visions/Roadmaps in driving coffee

productivity in Uganda; and 3) World Coffee Research Strategy Development (WCR).

4.14 Monitoring and Evaluation

- The authority conducted a tracer study of former trainees of UCDA under the quality and regulatory services directorate to understand how training programmes under the Quality and Regulatory Services Directorate of Uganda Coffee Development Authority (UCDA), have contributed to domestic coffee consumption and youth employment in Uganda. The programmes assessed under this study included; Barista, Basic Quality Control and Roaster trainings. The findings show that after the training, there was an increase in employment and a positive change in attitude with regards to coffee consumption
- Ten (10) Staff were trained in ArcGis mapping and spatial analysis to increase their ability to conduct mapping and traceability of lead farmers and coffee advisors. The authority also procured ArcGIS software.
- A mapping of CWDR Mother bushes of 412 operators was done in collaboration with NaCORI to facilitate monitoring CWDR plantlets multiplication.

4.15 Conclusion

The Chapter focused on market intelligence and

information. The Authority disseminates market information on domestic and global markets daily and monthly. Increasing coffee exports in both quantity and value were exhibited during the year. Higher premiums for sustainable/specialty coffees were also received. Lower export value in FY 2019/20 compared to the target was due to lower sustainable coffee exports percentage in the overall export grades mix.

There was price discovery even at farm level with high percentage share of farm gate price compared to the export price. Increasing price differentiation in Arabica specialty grades was unveiled. Robusta Screen 18 and Washed Robusta prices were above the terminal ICO Composite indicator, reflecting Uganda's Robusta competitiveness globally.

Comparison of the sustainable Arabica export prices with major origins i.e. Colombian Milds, Brazilian Naturals and Other Milds show how competitive Uganda Arabica coffee is. The exporter level continues to be concentrated by 80% of the market share belonging to the 10 major exporters. Ten major buyers also had a market share of 60% in the last 5 years. EU continued to be the main destination of Uganda coffee followed by Sudan. UCDA continued to build capacity of staff with training in global coffee dynamics and ArcGIS

The tracer study showed increased employability of those whom has acquired skills imparted by UCDA..



Uganda Coffee Development Authority

30 Years of Social-economic
Transformation in the Coffee Subsector

Institutional Development and Accountability

5.1 The coffee research system has been strengthened for responsiveness to industry requirements and demand

In the Financial Year 2019/20, the National Coffee Research Institute (NaCORI) focused on building partnerships for enhanced production of coffee planting materials. This was done by increasing the production of foundation seed of the improved Robusta varieties which was then availed to key partners and stakeholders for further multiplication.

Additionally, emphasis was placed on fast-tracking the release of new Arabica varieties and developing agronomic practices to address key biotic and abiotic constraints such as optimal plant density, climatic variability, pests, diseases and declining soil fertility. Furthermore, NaCORI pioneered research to profile bio-active compounds in coffee to inform variety improvement and increase utilisation diversity through dietary and industrial applications.

To enhance production of basic seed, four screen houses were constructed and operationalised to boost production of Coffee Wilt Disease resistant (CWD-r) Robusta plantlets. Key partnerships were built to enhance multiplication of coffee planting materials, by formulating memoranda of understanding (MOU) with Zonal Agricultural Research Institutes (ZARDIs) and District Local Governments (DLG).

These MOUs prompted collaborations on scaling variety multiplication and promoting climate smart coffee agroforestry systems. This is expected to contribute towards adoption of newly released CWD-r varieties (KR8, KR9 and KR10) by increasing availability and access by nursery operators and farmers. Efforts to fast-track release of the four new Arabica varieties are underway, and multi-locational trials were established in Elgon and West Nile regions of Uganda in 2014/2015; and have been revamped in 2019/2020 in preparation for independent assessment by MAAIF.



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



Germinating embryo RITAs (left) and embryo cultures (right) developing under optimised lighting conditions

To increase tissue culture (TC) material for increased production of KR8-10 to meet demand, a lighting system has been optimized using chocked fluorescent white tubes to improve the formation and survival of embryos. Results have shown increased embryo survival with a total of 7,360 plants hardened.

A rapid assessment was conducted among coffee nursery operators in the selected areas of Mubende, Masaka, Mityana, Kyotera, Kalisizo and Lwengodistricts. The findings revealed that, the CWD-r varieties were quick maturing, yielding first fruits in two years, and high yielding compared to the elite varieties. However, the adoption is still low at 5% compared to the elite and old clonal cuttings with adoption rate of 70 and 22% respectively. This was attributed to the high cost of CWD-r seedling (UGX 1500/plantlet) as compared to the elite at a cost of UGX 300 per plantlet, susceptibility to drought thus requiring high management and their limited availability and access.

Under the innovative agronomic practices for enhanced coffee production studies were conducted to inform the stakeholders on the best agronomic practices for adopting the new plant density spacing of 3x1m. Preliminary findings show that overall cherry production increases by 13.4% under the new spacing. However, there is increased incidence of disease infestation (brown eye spot, red blister and leaf rust)

which reduces significantly with increased application of both organic and inorganic fertilizer per tree in the range of 50 g of NPK/tree at the age of 4 years.



3x1m spacing trial established at National Coffee Research Institute, Kizuza-Mukono

Surveys and field observations done in 2019 showed that Black Coffee Twig Borer (BCTB), CWD, CBB were the most prevalent in Robusta growing areas while Coffee Leaf rust and CBD was the most important disease in Arabica growing areas. Results from the biological control experiments to manage BCTB with a bio-control agent, *Trichoderma sp* was found to be efficient in reducing the effect by 12%.

There was an outbreak of dodder weed infestation in coffee fields especially in the Busoga sub region (Iganga, Bugweri, Mayuge and Kamuli). NaCORI and UCDA conducted a survey to assess the degree of infestation. Results from the survey showed that 57.1%

of the coffee farmers in the region observed the weed on coffee. It was also noted that the major disposal agent for the weed were the school going aged children.

NaCORI has also made steps towards developing unique coffee product prototypes for increased utilization diversity using biotechnological approaches. Coffee samples from Kisoro, Elgon region and Kasese were profiled for biochemical compounds namely; Caffeine, Chlorogenic acids and trigoneline. The expression of these bio-compounds was correlated with the cup quality and a strong relationship was noticed. Further research is being done to validate production of biomarkers to fast-track variety development for niche markets. More studies are optimizing the extraction of bio-compounds for infusion into dietary and non-dietary products.

It is important to note that NaCORI has developed seed systems, biotechnology and prototyping platforms to enhance service delivery. For robust and functional platforms, partnerships have been established with donors, researcher institutions, academia, processors, exports, input suppliers and farmers. Some of the functional collaborations are with Faculty of Agriculture at Egerton University; Kenya Coffee Research Institute- Ruiru; Inspire Africa; Grain pulse, World Coffee Research and Kaweri Coffee Plantation Limited, among others.

Research proposals have been submitted for funding to enhance the resource envelope. NaCORI's key funder is USAID under Feed the Future aimed at establishing remunerative markets for equitable returns to coffee farmers and up-scaling projects aimed at transferring coffee innovative technologies to stakeholders.

5.2 UCDA has an established strong coffee specific extension capacity that meets the prevailing industry requirements

UCDA has coordinated and monitored coffee development activities in all regions through Regional Coffee Extension Officers (RCEOs), Regional Coffee Technical Officers (RCTOs) and Operation Wealth

Creation (OWC) Liaison Officers and it has established a Geospatial Extension monitoring system. It has trained Sub-County Extension Workers with specific knowledge and skills on coffee extension services which has enabled them to compliment the efforts of UCDA field staff.

It has supported lead farmers by providing extension services to farmer groups in microcenters, encouraged technological adoption, post-harvest services and sustainable coffee production.

5.3 Supporting the formation and strengthening of coffee farmers' organizations

UCDA has Trained lead farmers, FLOs, LGs and farmer groups in sustainable, specialty and fine coffees coffee production and processes including adding value as well as certifying the farmer groups. Additionally, exchange visits for farmer groups to demos for adoption of appropriate technologies for specialty, fine and sustainable coffee production are facilitated

A total of 99,781 (25Kg bags) of fertilizers were distributed to 24 cooperatives and farmer organizations around the country: Eastern 4,710 bags to 182 beneficiaries (145 Male, 37 Female); Elgon 12,783 bags to 1,455 beneficiaries (1,162 Male, 293 Female, 41 Youth); Western 13,313 bags to 2832 beneficiaries (2,304 Male, 528 Female); Northern: 2,783 bags to 527 beneficiaries (75 Male, 17 Female); Rwenzori: 12,738 bags to 1436 beneficiaries (1075 Male, 361 Female) South Western: 40,571 bags to 871 beneficiaries (692 Male, 179 Female); Central: 12,889 bags to 1994 beneficiaries (1480 Male, 514 Female).

5.4 Streamlining and strengthening existing coffee laws, regulations and standards at all stages of the coffee value chain

UCDA continues to train and sensitize stakeholders (coffee buyers, processors, roasters) across the country on coffee quality especially at post-harvest and new processing technologies, compliance to coffee regulations especially in reference to registration through the URA portal and created awareness on addressing the challenges affecting

the players. Stakeholders are also sensitised on the benefits of selling high quality coffee and the relationship between cup quality and agricultural practices. Working with UNBS and the agriculture police, the Authority sensitized and enforced coffee regulations at tertiary level. Roasters were sensitised on GMPs and coffee regulations. Furthermore, through interactive radio talk shows the general public has been sensitized on coffee regulations, standards and quality management.

5.5 Develop financing instruments for investing in the coffee value chain

Administration and Governance

To strengthen the governance and performance of the coffee sub-sector with regards to the strategy, UCDA drafts and disseminates coffee laws and regulations to stakeholders and supports and strengthens coffee associations. Its Board of Directors approves policies and reports and provides general direction and supervision to the organisation. The organisation develops staff/Human-Resource capacity, appraises staff performance and provides Audits, Business Assurance and Risk Management Services.

The UCDA Board approved guidelines for support to coffee associations, approved write-offs for bad debts and the closure of bank accounts, approved the brand guidelines and logo, attended a Board training and evaluation, and conducted a monitoring and evaluation exercise in South Western Uganda where they interacted with 9 key stakeholders along the entire value chain. The UCDA Board also interfaced with the Agriculture Parliamentary Committee on the National Coffee Bill, 2018 which is before Parliament for the 2nd Reading.

With guidance and support from the Legal Department, the Authority's technical staff in the Directorate of Development Services were able to increase awareness of coffee quality through dissemination of printed copies of the National Coffee Policy and the Coffee Regulations. This was done during enforcement exercises to sensitise stakeholders on the Authority's expectations in upholding quality along the coffee value chain. In the same vein, 100 stakeholders (80

Male, 20 Female) in Ibanda and Iganga were sensitised on coffee quality issues in a bid to ensure an increase in coffee production and productivity.

Following the tabling of the National Coffee Bill 2018 in Parliament, the Authority, together with the Committee on Agriculture, Animal Industry and Fisheries, conducted seven consultative meetings for stakeholders in Kalungu, Bushenyi, Kasese, Kamuli, Iganga, Mubende and Zombo districts. The UCDA legal team and the Parliamentary Committee drafted the report for presentation of the Bill. The Minister of Agriculture, Animal Industry and Fisheries tabled the report in Parliament for consideration.

Following the recommendations of the Committee on Commissions, Statutory Authorities and State Enterprises (COSASE) and Auditor General, the Authority completed the closure of 2 Joint Venture Companies (JVCs) in China and Egypt.

Staff Strength

The authority maintained 128 staff (91 Male and 37 female) on the established structure out of an approved staffing of 139 staff for FY 2019/20, and 8 temporary Staff (5 females and 3 males) which accounts for 92 percent of the approved structure for FY 2019/20. Ten new staff members were appointed including the Director Strategy and Business Development, the Extension Manager, two Regional Managers, three Regional Coffee Extension Officers, 2 Regional Coffee Technical Officers and an Accountant. In addition to the recruitment of staff, the Human Resource department continuously trains staff and provides opportunities for professional development in order to improve performance.

Stakeholder engagement and management

UCDA's mandate is achieved through regular engagement and management of its stakeholders. Some of the interventions include staff engagements, relating with various stakeholders along the coffee value chain, developing strategic relationships with development partners, cultural and religious stakeholders, creating awareness of and building

UCDA's brand and reputation.

Through the various stakeholder engagements held in the Financial Year 2019/20 the insights gained from the private and public sectors enabled the organisation to be more responsive and relevant to stakeholders.

Media engagements

Local and international visibility activities provided opportunities for UCDA to disseminate information to the public about its mandate, key achievements and strategic direction. The Authority communicates key messages on coffee production, productivity, value addition, and domestic consumption in traditional media such as radio, television, print and social media to reach a wide audience. Farmers were given tips on good agricultural practices, benefits of domestic coffee consumption and export performance.

Active engagement with stakeholders on social media, provided an opportunity for real-time information and answers to queries. This increased confidence and trust in the organisation.

International Coffee Day engagement

Uganda Coffee Development Authority co-sponsored the annual coffee stakeholder engagement – the International Coffee Day – on 4th October 2019 under the theme: *"Sustainable Coffee Production through a Cooperative Model and Community Development"* which attracted over 1000 participants at the Ankole Coffee Producers Cooperative Union (ACPCU) premises in Kabwohe.

This annual event enables the private and public sectors to come together to review the past coffee year and plan for the next. The theme of the day was timely as the Government concluded the National Development Plan II in that financial year (FY 2019/20) and embarked on the National Development Plan III which focuses on agro-industrialization with emphasis on creation of jobs especially for the young people. Sustainable coffee production requires the subsector to handle the social, economic and environment aspects on one hand and successive planning on the other.

The event is preceded by a sports tournament that brings together individuals and organisations from the private and public sectors including, farmers, exporters, logistics companies, roasters, UCDA and others. The games, which aim to foster unity among the coffee sub sector, are a precursor to the beginning of a new Coffee Year in October with the finals being held on the Coffee Day.

Each year, a high ranking government official graces the event with his presence in demonstration of Government's commitment to coffee which it considers a national priority. At this year's event, the Guest of Honour was the Minister of Agriculture, Animal Industry and Fisheries, Hon. Vincent B. Ssempijja who represented the Rt. Hon Prime Minister of Uganda, Dr. Ruhakana Rugunda. He encouraged farmers to embrace modern farming practices in order to guarantee improved and increased coffee production.

Domestic coffee consumption engagement

Over the past 30 years, the number of coffee shops in Uganda has risen from virtually none, to over 200 today, with increasing local demand to depend on. The industry struggles with poor perceptions about the product, which hinders it from creating mass-market-appeal. However, with deliberate efforts from the public and private sectors, the Kampala coffee shop scene is now crowded by Ugandan patrons who have made personal favourites out of Cappuccinos, Lattes and Espressos.

Through its mandate to promote domestic coffee consumption, the Authority participates in and organizes events to engage the public on the same. One such event that UCDA participated in during the period reported on is the annual Cake Fair. The UCDA stall attended to over 100 revellers seeking information on coffee production and opportunities for investment in the coffee sub sector. In addition to providing this information, a team of UCDA staff members supported by UCDA-trained baristas served cappuccinos, Americanos and regular 'African' and black coffee to hundreds of revelers and offered tips on how to brew coffee for home consumption.

Corporate Social Responsibility

UCDA recognises the need to promote human rights, help communities and protect our natural environment through Corporate Social Responsibility (CSR).

This year, as part of the Authority's CSR, roof gutters were donated to a health clinic and several communities were supported to improve lives. This and other similar activities are conducted to improve the lives of the

people in the communities where coffee is grown.

The organisation is keen to be a more strategic and proactive agency. This has resulted in a greater appreciation for UCDA's role as the agency mandated to promote and oversee the coffee industry as a whole by developing research, controlling the quality and improving the marketing of coffee and to provide for other related matters.

Stakeholder interventions pictorial

Key stakeholder interventions are highlighted in a pictorial of events held in 2019/20.



Minister of Agriculture, Animal Industry and Fisheries, Hon. Vincent Ssempijja receiving a T-shirt from the Managing Director, Uganda Coffee Development Authority, Dr. Emmanuel at the ACPCU premises in Kabwohe



Member of the public waiting to be served coffee at the UCDA tent during the annual Cake Fair



UCDA's Corporate Communications Manager (centre) and UCDA Corporate League members hand over gutters for a health centre to the Corporate League leadership

5.6 Impact of Covid-19 Pandemic on the Authority's Performance

On 30 January 2020, the World Health Organisation declared the outbreak of coronavirus disease (Covid-19) a Public Health Emergency of International Concern. Uganda reported its first confirmed case on 21 March 2020. The coronavirus disease (Covid-19), which started in China at the end of 2019 has greatly impacted the entire world population and the economy. To curb the spread of Covid-19, several countries banned international travel, imposed lockdowns, and developed Standard Operating Procedures (SOPs).

Uganda was quick to adopt preventive and mitigation measures which helped to keep the number of infections low. The measures were characterised by restrictions on movement and contact which severely affected implementation of the Authority's activities. Farmer trainings were temporarily put on hold while other activities such as inspections and market surveillance were scaled down. The pandemic also affected value chain players at production level. The use of productivity enhancing inputs such as fertilizers, pesticides, and herbicides was lower between February and August, 2020, than during the same period in 2019. In addition, the pandemic affected access to extension services and credit by farmers due to restricted movements brought about by the lockdown and curfew.

The coffee buying businesses were also affected by Covid-19. The restricted movements affected coffee buyers who resorted to working for fewer hours to beat curfew time and as a result, the volumes of coffee bought significantly declined, employees were laid off as a coping mechanism, which affected revenues and profits negatively. The pandemic also affected processors, roasters and cafes as many businesses closed during the lockdown.

5.7 Challenges Faced during FY 2019/20

The challenges experienced by the authority include;

a. Budget issues (Domestic arrears)

b. Human resource capacity (Low farmer extension Outreach): There is an issue of service delivery as a

result of low extension outreach for implementation of trainings and extension services.

c. Insufficient promotion of domestic coffee consumption: The level of domestic consumption of coffee is still very low, however the authority continues to promote domestic consumptions of coffee at various public events and in the media.

d. Adoption of modern farming and harvesting techniques and practices: The authority advocates for better farming practices, however, the adoption is still low which has an effect on production and productivity of coffee.

e. Non-Trade Barriers: This is a challenge with trading partners and has negatively affected coffee trade.

5.8 Strategic Objectives

The strategic objectives in FY 2020/21 are in line with the UN Sustainable Development Goals (SDGs), government policies and frameworks: Uganda Vision 2040, NDP III (2020/21-2025/26) that has 13 thematic areas and hinging on agro-industrialization, Medium Term Expenditure Framework (MTEF), MAAIF's Agriculture Sector Strategic Plan (ASSP) being formulated, National Coffee Policy, implementation of recommendations from the Mid-Term review of the National Coffee Strategy as well as its evaluation in FY 2020/21. The objectives will also consider the 9 initiatives of the Coffee 2025 Roadmap whose main target is to produce and export 20 million bags per year by 2025. Below are the Strategic Objectives: -

Production and Productivity

- Support coffee research and development and also develop a CWDR multiplication Strategy
- Coordinate production and distribution of planting material with emphasis on CWDR multiplication including quality assurance/certification
- Promote use of agro-inputs, water harvesting and irrigation technologies
- Demonstrate yield responsiveness to Coffee Renovation & Rehabilitation (R&R)
- Provide coffee specific extension services
- Promote practices that cater for interest of women

and youth in coffee production and marketing

- Retooling of field extension staff in clonal nursery management and agribusiness (including farmer organizations/cooperatives strengthening

Market Intelligence and Development

- Undertake market intelligence and development in emerging markets to ensure structured demand
- Develop market pointers for actors to access specific markets
- Carry out a Costs and margins study in all coffee regions and at each level of the coffee value chain (farmers, processors, exporters, roasters and cafes).
- Build capacity of Cooperatives in governance, bulk-marketing and business planning to ease access to finance
- Carry out a perception survey on coffee consumption in Uganda and a study on informal coffee inflows and outflows
- Develop UCDA Corporate Plan
- Develop a Coffee Sustainability Plan
- Develop project proposals for coffee development to contribute to NDP III
- Carry out a satisfaction survey to obtain feedback from clients on UCDA's service delivery.

Quality Improvement and Value Addition

- Enforce coffee regulations to enhance quality along the value chain
- Continued mapping/profiling of specialty and sustainable coffee using the ArcGIS to map, profile specialty, sustainable and fine coffees
- Intensify support to farmers practicing sustainable coffees and track their improvements.

Promotion of Domestic Coffee Consumption

- Promote domestic coffee consumption by disseminating health benefits of drinking coffee in urban and rural areas especially among the youth
- Provide advice on roasting and brewing equipment
- Facilitate development of new coffee brands
- Monitor the coffee brands on the market (both local and foreign) and ensure they meet the East African Standards on Roast and Ground Coffee

Institutional Development and Accountability

- Continue to build Human Resource capacity to ensure high operational efficiency and enhanced service delivery
- Mainstream Gender and HIV/AIDS into all activities and programmes
- Strengthen the Results Based Monitoring and Evaluation (RBME) methodology which should be gender responsive
- Efficient utilization of assets and resources
- Improved Visibility of UCDA
- Efficient utilization of the Management Information System

5.9 Conclusion

This chapter focused on institutional development through support to the National Coffee Research Institute (NaCORI) and the departments under the Directorate of Development Services. UCDA provides financial support to NaCORI to enhance production of planting materials, fast track the release of new Arabica varieties, assess CWDr varieties, conduct studies to inform the best agronomic practices, carry out surveys and field observations on pests and diseases and develop unique coffee product prototypes. This has enabled the institute to enhance service delivery.

Engaging with stakeholders, UCDA disseminates relevant information on coffee laws and regulations. Through its legal and corporate communications departments, UCDA trains and sensitizes stakeholders on coffee quality. The Authority has gained insights from these engagements with the private and public sectors which has enabled it to be more responsive and relevant to stakeholders by providing real-time information. This has increased stakeholder confidence and trust in the Authority.

UCDA is keen to be a more strategic and proactive government agency. This has resulted in a greater appreciation for UCDA's role as the agency mandated to promote and oversee the coffee industry by developing research, controlling the quality and improving the marketing of coffee.



Uganda Coffee Development Authority



FINANCIAL STATEMENTS

Reports and Financial Statements
(AG's Report, Report of Directors,
other Financial Statements)
[Income, Expenditure]



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THE REPUBLIC OF UGANDA

OFFICE OF
 THE AUDITOR GENERAL
 APOLLO KAGWA ROAD,
 PLOT 20,
 P.O.Box 7083,
 KAMPALA

ANY CORRESPONDENCE ON **DCG.47/349/01/20**
 MATTER, PLEASE QUOTE NO.:.....

30th December, 2020

The Rt. Hon. Speaker of Parliament
 Parliamentary Building
Kampala



**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
 UGANDA COFFEE DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30TH
 JUNE 2020**

In accordance with Article 163 (4) of the Constitution, I forward herewith audited financial statements of Uganda Coffee Development Authority for the year ended 30th June 2020 together with my report and opinion thereon.

John F.S. Muwanga
AUDITOR GENERAL

Copy to: The Hon. Minister of Finance, Planning and Economic Development
 " The Permanent Secretary/Secretary to the Treasury
 " The Accountant General
 " The Accounting Officer, Uganda Coffee Development Authority
 " The Head of Accounts, Uganda Coffee Development Authority



THE REPUBLIC OF UGANDA

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
UGANDA COFFEE DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED 30TH JUNE 2020**

**OFFICE OF THE AUDITOR GENERAL
UGANDA**

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF UGANDA COFFEE DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30TH JUNE 2020

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of Uganda Coffee Development Authority which comprise the statement of Financial Position as at 30th June 2020, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of Uganda Coffee Development Authority for the year ended 30th June 2020 are prepared, in all material respects, in accordance with section 51 of the Public Finance Management, 2015 and the Financial Reporting Guide, 2018.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Uganda Coffee Development Authority in accordance with the Constitution of the Republic of Uganda, 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (I NTOSA) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and informing my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters communicated in my report.

1.0 Implementation of the approved budget

Every year, government plans and allocates funds to MDAs for implementation of activities that would enable the country to attain sustainable development. I observed that MDAs have challenges with regard to implementation of planned activities, which negatively affects service delivery and improvement of the people's wellbeing. As a

result, the implementation of the approved budget was considered a key audit matter and during the office-wide planning, I identified risks common with MDAs which include; non-implementation of strategic plans, underperformance of revenue, implementation of off-budget activities, under absorption of funds, insufficient quantification of outputs, partial and non-implementation of outputs, diversion of funds and challenges in budget monitoring and reporting of performance.

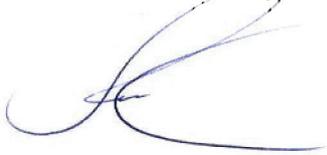
Given that some of the key vacant positions were not substantively filled; the staff that were in acting capacities were holding the acting positions for periods longer than the stipulated time periods in the human resource manual. The table below summarizes the acting periods for the position of board secretary and director corporate;

Sn.	Name	Substantive Position	Acting Position	Date of Appointment	Duration
1	Nina Nassuna	Manager Finance	Director Corporate Services	October 2019 to date	13 months
2	Eunice Kabibi	Legal Manager	Board Secretary	October 2019 to date	13 months

Understaffing adversely affects service delivery and overstretches the available staff establishment.

The Accounting Officer explained that currently, recruitment is underway in FY 2020/2021 to recruit eight (8) Regional Coffee Extension Officers, six (6) Quality Assurance Officers, three (3) Regional Coffee Technical Officers, one (1) Statistician, one (1) Business Development Officer and one (1) Administration Officer (1). We further expect to recruit about three (3) Staff at Managerial level once the Board is appointed. It should be noted, nonetheless, that the Authority still has resource constraints, but will try all possible means to obtain the necessary budget/funding for recruitment of more staff.

I advised the Accounting Officer to liaise with the relevant authorities to address the funding challenge. Further, management is advised to draw the issue to the attention of the line Minister to expedite the appointment of the Board to enable recruitment of personnel to the key roles.



John F.S. Muwanga
AUDITOR GENERAL
 KAMPALA
 30th December, 2020

Government of the Republic of Uganda
Financial Statement for the Financial Year ending 30th June 2020

Uganda Coffee Development Authority

Uganda Coffee Development Authority (UCDA) is mandated to develop and promote coffee and other related industries through research and extension arrangements according to Section 3(d) of the UCDA Act, 1991.

To achieve this mandate, the Authority planned to implement a number of both recurrent and development deliverables under various programmes. A review of the entity's ministerial policy statement and budgets revealed that the Authority had an approved budget of UGX.96,701,673,000 out of which UGX 92,248,593,216 was warranted/released. The table below shows a summary of the key deliverables of the Authority for the Financial Year 2019/ 20.

Table showing the Authority's outputs for the year

S/n	Output	Amount spent	Cumulative % of amount spent
i	Production & Research	64,495,827,386	72.1%
ii	Quality Assurance	1,177,897,060	73.4%
iii	Value Addition and Generic	1,488,493,805	75.1%
iv	Information Dissemination for	898,871,481	76.1%
v	Coffee Development in Northern	4,915,485,727	81.6%
vi	Establishment Costs	14,810,055,884	98.1%
vii	Contributions to International	1,435,941,056	99.7%
viii	Purchase of Office and ICT	145,776,900	99.9%
ix	Purchase of Office and Residential	128,978,340	100%

The Authority planned to achieve its deliverables through implementation of nine (9) outputs with a budget of UGX.96.7Bn. I sampled seven (7) outputs worth UGX.789,41,766,000 representing 81.6% of the total budget.

The outbreak of the Covid Pandemic affected the implementation of the 2019/20 budget especially activities in the last half of the financial year. As a result, a number of activities were not implemented due to budget cuts and lockdown measures instituted to control the spread of the pandemic.

Government of the Republic of Uganda
Financial Statement for the Financial Year ending 30th June 2020

Uganda Coffee Development Authority

Expenditure

a). Shs. 89,426 billion was spent with respect to both NTR and GOU against the twelve (12) months releases of Shs. 92.249 billion, 97% performance. Shs. 2.822 billion was unutilized as at 30.06.20.

b). Table 3 below indicates the summary expenditure per Vote output.

CODE	PROGRAMME	Releases For The Period 01.07.19 To 30.06.20	Expenditure For The Period 01.07.19 To 30.06.20	% Of Total Expenditure	Variance	% Expenditure To Releases
015301	Production, Research & Coordination	64,876,546,473	64,469,454,299	72.09%	407,092,174	99%
015302	Quality Assurance	728,811,551	528,036,721	0.59%	200,774,830	72%
015303	Value Addition & Generic Promotion	1,772,159,359	1,460,822,141	1.63%	311,337,218	82%
015305	Information Dissemination for Marketing & Dissemination	1,392,188,851	882,861,000	0.99%	509,327,851	63%
015306	Coffee Development in Northern Uganda	5,157,678,000	4,918,183,380	5.50%	239,494,620	95%
015307	Establishment Costs	16,545,432,123	15,461,188,613	17.29%	1,084,243,510	93%
015351	Contributions to International Obligations	1,436,105,580	1,430,477,471	1.60%	5,628,109	100%
015376	Capital Purchases	339,671,279	274,755,240	0.31%	64,916,039	81%
TOTAL		92,248,593,216	89,425,778,865	100.00%	2,822,814,351	97%

Government of the Republic of Uganda
Financial Statement for the Financial Year ending 30th June 2020

Uganda Coffee Development Authority

Statement of Financial Position

	Notes	30 June 2020 (Shs)	30 June 2019 (Shs)
ASSETS			
Cash and cash equivalents	17	56,824,239	62,954,383
Receivables	18	3,371,439,836	1,856,679,595
Inventories	19	-	-
Investments	20	-	-
Non Produced Assets	21	-	-
Total Assets	22	3,428,264,075	1,919,633,978
LIABILITIES			
Borrowings		-	-
Payables	23	121,706,945,846	141,249,416,869
Deposits	24	-	-
Pension Liability	25	-	-
Total Liabilities		121,706,945,846	141,249,416,869
Net assets (liabilities)		(118,278,681,771)	(139,329,782,891)
REPRESENTED BY:-			
Net Worth		(118,278,681,771) (119,094,412,701)	(139,329,782,891)

Statement of Changes in Equity (Net Worth)

	Schedule	30 June 2020 (Shs)	30 June 2019 (Shs)
At 1 July - Net worth Last Year (B/F)		(139,329,782,891)	(103,69-,380,713)
Less: Transfers to the UCF account	Note 16(b)	-	-
+/- Balance sheet adjustments	Note 26	4,303,841,453	607,439
Revaluation reserves		-	-
Add: Excess of revenue over expenditure for the Year		16,745,259,667	(35 633 009,617)
Closing Net Financial Worth		(118,278,681,771)	(139,329,782,891)



Emmanuel Iyamulemye Niyibigira
Accounting Officer

Government of the Republic of Uganda
Financial Statement for the Financial Year ending 30th June 2020

Uganda Coffee Development Authority

Cash flow Statement for the year ended- [Direct Method]

	30 June 2020 (Shs)	30 June 2019 (Shs)
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue from Operating activities (see below)		
PAYMENTS FOR OPERATING EXPENSES		
Employee costs	13,524,185,	10,128,727,112
Goods and services consumed	16,724,746,646	15,476,919,530
Subsidies	-	-
Transfers to Other Organizations	1,103,513,494	
Social benefits	-	-
Other expenses	32,934,472	99,194,403
Foreign exchange loss/gain	-	-
Advances paid	2,160,322,869	381,398,846
Domestic arrears paid during the year	57,387,938,166	67,787,464,304
Deposits paid	-	-
Pension arrears paid during the year	-	-
Losses of cash	-	-
Letters of Credit receivable	-	-
Total payments for operating activities	90,935,643,618	93,873,704,195
Net cash inflow/(outflows) from operating activities	299,948,304	(864,085,167)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
Purchase of non-produced assets	-	-
Proceeds from sale of property, plant and equipment	274,735,240	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Net cash inflows/(outflows) from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from other domestic borrowings	-	-
Repayments of other domestic borrowings	-	-
Net cash flows from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	25,193,064	864,085,167



Emmanuel Iyamulemye Niyibigira
Accounting Officer

Government of the Republic of Uganda
Financial Statement for the Financial Year ending 30th June 2020

Uganda Coffee Development Authority

Cash flow Statement for the year ended (continued)
For cash flow purposes receipts from revenue comprise.

	Notes	30 June 2020 (Shs)	30 June 2019 (Shs)
Total Revenue as per Statement of Financial Performance		110,317,193,149	94,530,790,396
Add: Advances recovered during the year		756,774,686	-
Revenue receivable collected during the period		17,156,442,670	-
Deposits received		-	-
Total Revenue		111,073,967,835	111,687,233,066
Less: Grants received in Kind		-	-
Revenue in Kind (Tax waivers)		-	-
Transfers to Treasure (16a)		19,838,375,913	18,677,614,038
Revenue Receivable for the reporting period		-	-
Total revenue received for Cash flow statement purposes		91,235,591,922	93,009,619,028

Reconciliation of movement of cash during the year

	Notes	30 June 2020 (Shs)	30 June 2019 (Shs)
At the beginning of the year		62,954,383	926,432,111
Less: Transfers to the UCF account (Previous Year Balances)	16(b)	-	-
Add/(Less) : Adjustments in cash and cash equivalents	26	(31,323,208)	607,439
Net increase (decrease) of cash from the Cash Flow Statement		25,193,064	(864,085,167)
At the end of the year		56,824,239	62,954,383

For purposes of the cash flow statement, cash and cash equivalents comprise

	Notes	30 June 2020 (Shs)	30 June 2019 (Shs)
Cash and bank balances	17	56,824,239	62,954,383
Cash and bank balances		56,824,239	62,954,383



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Emmanuel Iyamulemye Niyibigira
Accounting Officer

Government of the Republic of Uganda
Financial Statement for the Financial Year ending 30th June 2020

Uganda Coffee Development Authority

Statement of Appropriation Account [based on Service Voted]

	Initial Approved Budget 30 June 2020 (Shs) (a)	Revised Approved Budget 30 June 2020 (Shs) (b)	Warrants 30 June 2020 (Shs) (c)	Actual 30 June 2020 (Shs) (d)	Variance Revised Vs Actual 30 June 2020 (Shs) (b-d)	Variance Warrants Vs Actual 30 June 2020 (Shs) (c-d)
RECEIPTS	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
External Assistance	-	-	-	-	-	-
Transfers received from Treasure- UCF	96,701,673,032	96,701,673,032	92,248,593,216	89,417,999,266	7,283,673,766	2,830,593,950
Transfers received from other Government units	-	-	-	-	-	-
Non Tax revenue	23,639,123,499	23,639,123,499	23,639,123,499	19,109,339,941	4,529,783,558	4,529,783,558
Total receipts	120,340,796,531	120,340,796,531	115,887,716,715	108,527,339,207	11,813,457,324	7,360,377,508
EXPENDITURE - by services as per appropriation	-	-	-	-	-	-
Headquarters	72,239,309,297	72,239,309,297	72,239,309,297	69,017,179,031	3,222,130,226	1,017,045,442
Quality and Regulatory services	4,783,756,001	4,783,756,001	3,586,171,046	2,634,411,913	2,149,344,088	951,759,133
Corporate Services	17,713,272,385	17,713,272,385	16,896,337,567	16,240,868,805	1,472,403,580	655,468,762
Strategy and Business Development	1,482,740,000	1,482,740,000	1,392,188,851	882,861,000	599,879,000	509,327,851
Development Expenditure	482,595,349	482,595,349	339,671,279	274,735,240	207,840,109	64,916,039
Total expenditure	96,701,673,032	96,701,673,032	92,248,593,216	89,050,075,989	7,651,597,043	3,198,517,227
NTR in transferred to the UCF Account (16a)	-	-	-	19,838,375,913	19,838,375,913	19,838,375,913
Net Receipts/ Payments	23,639,123,499	23,639,123,499	23,639,123,499	19,477,263,218	4,161,860,281	4,161,860,281



Emmanuel Iyamulemye Niyibigira
Accounting Officer

Government of the Republic of Uganda
Financial Statement for the Financial Year ending 30th June 2020

Uganda Coffee Development Authority

Statement of Appropriation Account [based on nature of expenditure]

	Initial Approved Budget 30 June 2020 (Shs) (a)	Revised Approved Budget 30 June 2020 (Shs) (b)	Warrants 30 June 2020 (Shs) (c)	Actual 30 June 2020 (Shs) (d)	Variance Revised Vs Actual 30 June 2020 (Shs) (b-d)	Variance Warrants Vs Actual 30 June 2020 (Shs) (c-d)
RECEIPTS	-	-	-	-	-	-
Taxes	-	-	-	-	-	-
External Assistance	-	-	-	-	-	-
Transfers received from Treasure- UCF	96,701,673,032	96,701,673,032	92,248,593,216	89,417,999,266	7,283,673,766	2,830,593,950
Transfers received from other Government units	-	-	-	-	-	-
Non Tax revenue	23,639,123,499	23,639,123,499	23,639,123,499	19,109,339,941	4,529,783,558	4,529,783,558
Total receipts	120,340,796,531	120,340,796,531	115,887,716,715	108,527,339,207	11,813,457,324	7,360,377,508
EXPENDITURE - by nature of expenditure	-	-	-	-	-	-
Employee costs	14,243,254,734	14,243,254,734	12,925,395,684	12,340,476,325	1,902,778,409	584,919,359
Goods and services consumed	80,469,717,369	80,469,717,369	77,477,420,673	74,971,432,481	5,498,284,888	2,505,988,192
Consumption of property, plant & equipment	482,595,349	482,595,349	339,671,279	274,755,240	207,840,109	64,916,039
Subsidies	-	-	-	-	-	-
Transfero to other organisations	1,436,105,580	1,436,105,580	1,436,105,580	1,430,477,471	5,628,109	5,628,109
Social benefits	-	-	-	-	-	-
Other expenses	70,000,000	70,000,000	70,000,000	32,934,472	37,065,528	37,065,528
Finance costs	-	-	-	-	-	-
Total expenditure	96,701,673,032	96,701,673,032	92,248,593,216	89,050,075,989	7,651,597,043	3,198,517,227
NTR in transferred to the UCF Account (16a)	-	-	-	19,838,375,913	19,838,375,913	19,838,375,913
Net Receipts/ Payments	23,639,123,499	23,639,123,499	23,639,123,499	19,477,263,218	4,161,860,281	4,161,860,281



Emmanuel Iyamulemye Niyibigira
Accounting Officer

Government of the Republic of Uganda
Financial Statement for the Financial Year ending 30th June 2020

Uganda Coffee Development Authority

Reconciliation between total expenditure per Appropriation Accounts and per Statement of Financial Performance.

	Actual 30 June 2020 (Shs)	Actual 30 June 2019 (Shs)
Total expenditure per Appropriation Account	89,050,075,989	94,603,757,969
Add:		
Letters of credit receivable prior year but delivered during the year		
Accrued expenditure	42,071,419,746	102,937,787,600
Prepayments performed		
Less:		
Letters of credit receivable at year-end		
Domestic Arrears paid	57,387,938,166	67,787,464,304
M/vehicle loan disbursements to Eco bank		1,000,500,000
M/ vehicle insurance		110,952,620
Non produced assets for the period		
Prepayments for the period		
Total Expenditure per Statement of Financial Performance	73,733,557,569	128,642,628,645



Emmanuel Iyamulemye Niyibigira
Accounting Officer



Uganda Coffee Development Authority

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