

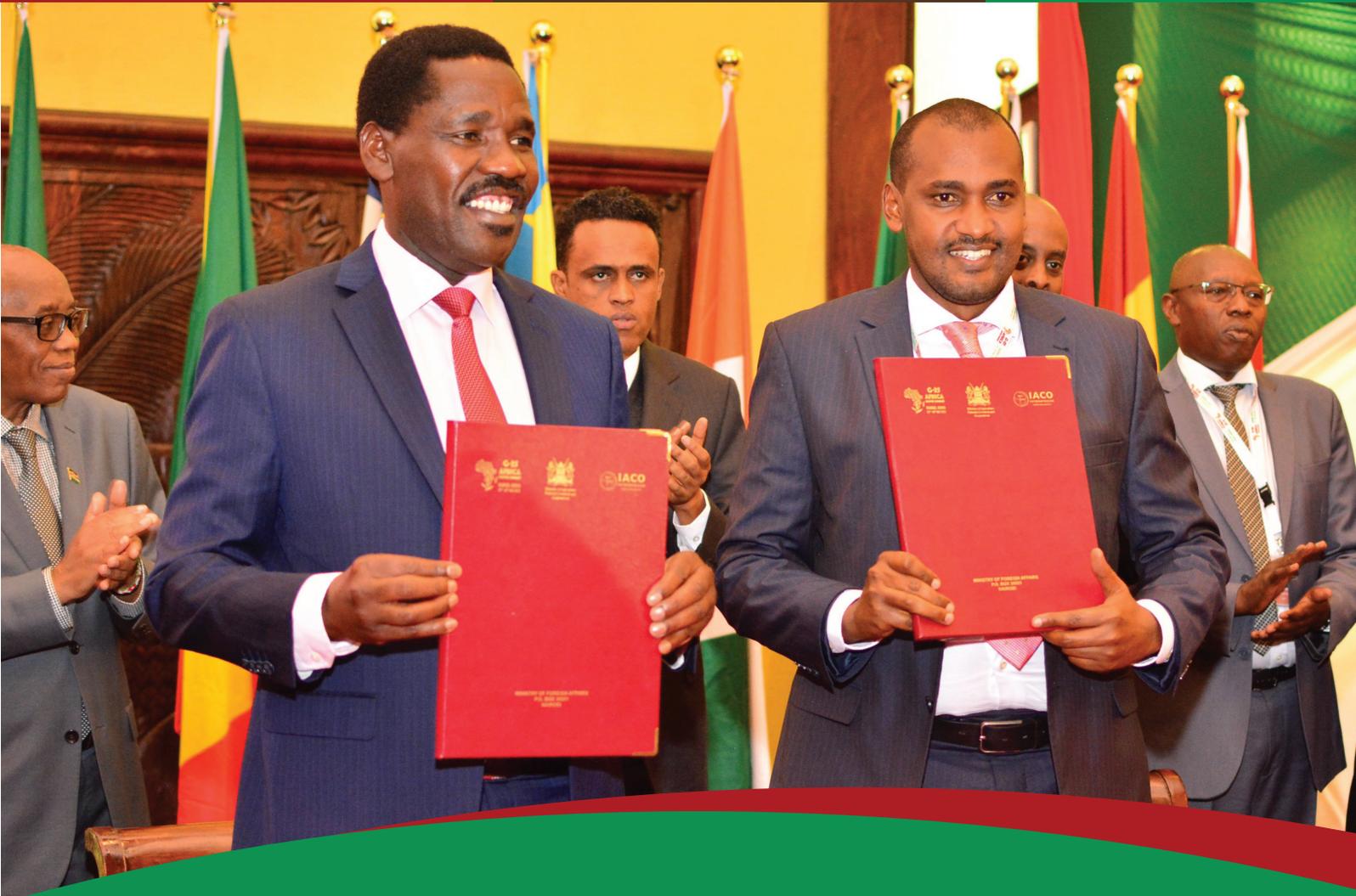


Uganda Coffee Development Authority

COFFEE NEWS

Your quarterly publication highlighting the activities in the Uganda Coffee subsector

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Nairobi Declaration signed to have coffee anchored as strategic commodity under AU

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Uganda Coffee Development Authority



FOREWORD

I am pleased to announce that Coffee exports for 12 months (FY 2021/22) totaled 6.26 million 60kg bags worth US\$ 862.28 million compared to 6.08 million bags worth US\$ 559.16 million the previous year (FY 2020/21). This represents an increase of 3% and 54% in both quantity and value respectively.

June coffee exports fell by 14% to 530,365 60-kilo bags of coffee valued at US\$ 83.79 million. This comprised 444,197 bags of Robusta valued at US\$ 60.98 million and 86,168 bags of Arabica valued at US\$ 22.82. This was a decrease of 14% in quantity but an increase of 43% in value compared to the same month last year.

The decrease in quantity is attributed to a dry spell that has affected many coffee-growing regions in the country. As a result, our 6.5m bags target was not met.

I wish to thank the coffee farmers and value chain actors who have remained resilient despite the dry conditions we are experiencing in the country. The dry spell has impacted negatively on the production and productivity of the sector.

The erratic weather patterns call for increased investment in climate change mitigation and adaptation measures. I encourage farmers to practice GAPs, plant shade trees, and mulch coffee gardens to offset the impact of climate change. We are also working closely with the Ministry of Agriculture, Animal Industry, and Fisheries to support farmers to engage in irrigation.

In May 2022, coffee-producing countries in Africa witnessed a historic moment when the Inter-African Coffee Organisation (IACO) members signed the Nairobi Declaration to have coffee anchored as a strategic commodity under the African Union in harmony with AU's Agenda 2063.

The Nairobi Declaration ushers in a new era with coffee earmarked as a priority commodity for Africa's economic revolution. The Nairobi Declaration will support coffee-producing countries such as Uganda to address several challenges the sector has grappled with such as market access, technology, value addition, and research.

We are honoured to be the hosts of the second G25 African Coffee Summit which will be held in Kampala in 2023. This is a great opportunity for Uganda to showcase the coffee sub sector successes.

Lastly, UCDA embarked on a fertiliser distribution and coffee rehabilitation programme across the country. I wish to thank the farmers who heeded our call and stumped the old and unproductive coffee trees. Stumping increases the amount of coffee produced by a tree by three times. If farmers run coffee as a business they will certainly enjoy the benefits of increased production and productivity on their farms.

Dr. Emmanuel Iyamulemye Niyibigira

Managing Director - Uganda Coffee Development Authority (UCDA)

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Hon. Frank Tumwebaze, the Minister for Agriculture, Animal Industry and Fisheries and Peter Munya, Kenya's Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Cooperatives, signed the Nairobi Declaration to have coffee anchored as a strategic commodity under the African Union.

Nairobi Declaration signed to have coffee anchored as strategic commodity under AU

Inter-African Coffee Organisation (IACO) State members officially signed the Nairobi Declaration to have coffee anchored as a strategic commodity under the African Union in harmony with AU's Agenda 2063 on May 25, 2022 in Nairobi, Kenya.

Uganda's Minister of Agriculture, Animal Industry and Fisheries, Frank Tumwebaze and Kenya's Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Cooperatives, Peter Munya signed the declaration at the inaugural G25 African Coffee Summit (ACS). The summit was held in Nairobi from the 25th to the 27th of May 2022 under the theme "Sustainable Development and Economic Growth in the African Coffee Sector." It was witnessed by delegates from the 25 coffee-producing countries under the umbrella of IACO.

The declaration gives Africa leverage under the auspices of the African Union to build a united and integrated Africa to address the challenges facing the African coffee sector.

Africa Should Adopt Uganda's Successful Coffee Experience

Addressing the delegates at the summit, Frank Tumwebaze called on coffee growing nations in Africa to take collective measures and adopt Uganda's successful coffee roadmap to accelerate production and make the cash crop more rewarding for Africans.

"Coffee remains Uganda's priority

commodity and plays a leading role in the livelihoods of many Ugandans. For the past two decades, coffee has contributed an average of 17% to the country's foreign exchange earnings and has provided employment for many of our people," Tumwebaze said.

Uganda is currently ranked Africa's largest exporter and 7th globally. According to Tumwebaze, this has been mainly attributed to the successful policies initiated by the government combined with partnerships established between farmer youth groups, associations, civil society and service providers across the entire coffee value chain.

In April 2017, the Coffee Roadmap was launched after a directive given by President Museveni to increase the coffee production from 3.5 million bags to 20 million bags by 2030.

"Consequently, since the launch nearly 5 years ago, a number of interventions aligned to the coffee Roadmap have been implemented and have profoundly contributed to increased production by 101% from 4.0 million 60 kilo bags to 8.06 million bags in FY 2020/21 and improved the quality of Uganda coffee," the Minister stated.

He added that the production and value addition interventions undertaken by Uganda in the past 5 years have undoubtedly contributed to improved employment and increased forex earnings. They have also increased exports from 3.6 million 60 kilo bags in 2015/16 to 6.1 million bags in FY 2020/21.

"The value of exports has increased by 59% from US\$ 352 million in FY 2015/16 to US \$ 559 million in FY 2020/21. In addition, Uganda's coffee was also ranked third best globally by

certified global professional tasters and this has increased global visibility and brand awareness of Uganda coffee," Tumwebaze said.

Meanwhile, despite these achievements, Tumwebaze said as African producers, they still have a long way to go in strengthening the coffee value chain and improving the livelihoods of farmers.

"We are still faced with challenges of low production and productivity, price volatility, lack of access to affordable finance, counterfeit inputs, pests and diseases just to name a few," the Minister said, adding that Uganda

remains optimistic that as the youngest continent in the world, with the lowest coffee per capita consumption, combined with the creation of the Africa Continental Free Trade Area (AfCFTA), the future of the coffee industry in Africa remains bright.

He revealed that the Ugandan government remains committed in supporting an integrated African coffee strategy that collaborates with all key stakeholders both at the national and regional level that will ensure sustainability of the Africa coffee sector across the entire value chain.

Coffee consumption has been growing at least 3 percent annually for the last two to three decades, but the figures produced in Africa have remained low, a fact attributed to lack of processing plants that would enhance value addition.

Ranked at US\$465bn in the global market, coffee is only second to oil among the most traded commodities.

With at least 58 percent of the African population deriving its livelihood from the agricultural sector directly or indirectly, coffee, a leading cash crop earner in many African countries is critical in alleviating poverty and addressing household income constraints in rural Africa.

Ethiopia is Africa's top coffee producer while Uganda, which produces both Arabica and Robusta coffee, is the continent's top exporter, as Ethiopia consumes most of its coffee domestically, leaving fewer quantities for export.

Uganda will host the second G25 African Coffee Summit in Kampala in 2023. ●



The declaration gives Africa leverage under the auspices of the African Union to build a united and integrated Africa to address the challenges facing the African coffee sector.



IACO Secretary General, Amb. Solomon Rutega, addressing delegates.



The coffee session panelists (Left - right): Tony Mugoya, Martha Wandera, Dr. Emmanuel Iyamulemye, Joseph Nkandu, Dr. Fred Kawuma and Stephen Tibejuka Byantwale.

Unlocking potential and developing the coffee sub sector for industrialisation

Coffee production has been increasing over the years. At the end of Financial Year 2021/22, Uganda produced 6.26m bags worth US\$ 862m compared to 6.1m bags worth US\$ 559m the previous FY 20/21.

Despite this relatively strong performance, the Managing Director of Uganda Coffee Development Authority, Dr. Emmanuel Iyamulemye insists that there is still a huge potential for Uganda to increase its production of coffee. Speaking at the annual Mkutano Agribusiness 2022 dialogue in April, Dr. Iyamulemye said that laying the financial infrastructure for agro-industrialisation is critical to achieving this.

Dr. Iyamulemye told delegates that Government is focusing on bringing more value to farmers. He pointed out the need to professionalise farming and for farmers to treat it as a business. A curriculum that prepares students for farming would be highly beneficial for them, he added. As coffee value chain actors continue to add value they should also take branding of their products into account. This should go hand in hand with marketing not just coffee but also the country. Delegates at the public dialogue

agreed to engage the Government of Uganda on the strategic actions and recommendations posed during the panel discussions to support the growth and development of agro-industrialisation in Uganda and to support all the actors within the value chain.

Uganda Coffee Development Authority in partnership with Mkutano Company, UNCDF, Food and Agriculture Organisation, aBi, National Social Security Fund, Mandulis Energy and Stanbic Bank organised the dialogue under the theme "**UG@60: Fulfilling the Agro-Industrialisation Agenda for Uganda**". The dialogue brought together experts from across the agricultural spectrum to unpack and build consensus on the agro-industry economic landscape, agri-finance, digital agriculture, building sustainable agri-food systems, climate change, supporting and empowering small holder farmers and integration into

global and local supply chains.

The Guest of Honour, Stephen Tibejuka Byantwale, the Commissioner Crop Resources, who represented the Minister of Agriculture, Animal Industry and Fisheries, assured the delegates, that Government through the ministry is taking the lead on agro-industrialisation through the parish development model to enable small holder farmers to increase production and productivity and produce high quality products that meet the local, regional, and international market standards.

The coffee authority sponsored a coffee session and led a panel discussion on coffee value addition, showcasing the opportunities in the coffee sector for national and international investors. The discussion was moderated by coffee ambassador, Dr. Fred Kawuma. The panelists discussed strategies to unlock the potential in coffee processing and value addition and to develop the coffee sub sector for industrialisation.

Tony Mugoya, the Executive Manager of Uganda Coffee Farmers' Alliance



Dr. Emmanuel Iyamulemye delivering a presentation at the Mkutano Dialogue

outlined five ways for farmers to add value to coffee – creating improved varieties, taking up more value addition roles themselves, processing coffee at all levels (primary, secondary and tertiary), involving more women and youth in coffee production, generating other products from coffee other than the drink. He also pointed out the need to do feasibility studies that will highlight the return on investment in the coffee business. Mugoya also stressed the need to support coffee value chain actors who want to add value to enable them to scale up in

their businesses.

According to Martha Wandera, Managing Director of KIMCO Coffee Ltd, value addition starts with the selection of the right planting material.

Farmers should get planting material only from UCDA-certified nurseries, Ms. Wandera emphasised

She called on Government to enhance the budget for coffee extension and technical services so that farmers get the knowledge and guidance they need to unlock the potential of value addition. She further suggested a need to discuss informal agreements to allow women to own land and produce coffee as women.

Women offer most of the labour on coffee farms, they are compliant and are very good at quality assurance, she added.

Other interventions that will support coffee value addition, according to Ms. Wandera, include access to and affordability of processing facilities, affordable packaging material and certification to allow more people to pack agricultural products and give consumers a safe product.

For his part, Joseph Nkandu, the Executive Director of National Union of Coffee Agribusinesses and Farm Enterprises Ltd (NUCAFE) believes that a collective approach to investment in coffee by farmers is very important as it will enable them take care of quality, be inclusive and be passionate about the business. Echoing what the MD for UCDA had said, Nkandu added that one other intervention is to ensure the education system addresses the skill sets needed along the coffee value chain. ●



Martha Wandera talking about the need to make packaging affordable

Coffee Rehabilitation: Farmers to earn three times more as UCDA distributes fertiliser for stumped coffee

Joyce Nabweteme grew up seeing her parents growing coffee in Kyotera. The family earned a living through coffee farming. "These coffee trees educated me and my siblings. Now they are educating my children but the yields are very low. The money I get from the coffee is very little," the 44-year old says.

Many farmers like Joyce are struggling to earn a living from coffee. Nabweteme's coffee farm is representative of the majority of coffee farms in Uganda which are well over 50 years and are producing coffee below their potential. The yields from the old coffee trees are far below average and hurting coffee farmers' earnings.

Greater Masaka, one of the biggest coffee producing regions in the country and famous for growing Robusta coffee has 266,281 households involved in coffee production.

However, a survey done by UCDA showed that the region has 6,343,941 old trees in Bukomansimbi, Kyotera, Rakai, Sembabule, Lwengo, Lyantonde, Kalungu, Masaka and Kalangala.

This situation is not different from other coffee growing regions in the country which are struggling with low yields due to old coffee trees. This is greatly limiting what farmers can earn.

As a result, UCDA rolled out a countrywide programme to encourage farmers stump old coffee trees and rejuvenate them through the use of organic fertiliser.



Coffee farmers in Busoga and Bukedi received 30,000 bags of fertiliser under the UCDA Revamping Coffee Production programme.



Due to various interventions by government through UCDA, coffee farmers are beginning to see positive changes manifested by increased production and productivity.

"Our research established that a stumped coffee plant produces three times as much yield as an old tree," says Emmanuel Tumwizere, the UCDA Regional Manager for Rwenzori region.

"We are in a campaign to motivate farmers to boost their production and productivity," Tumwizere adds.

Launching coffee rehabilitation drive

Hon. Fred Bwino Kyakulaga, the Minister of State for Agriculture launched three fertiliser distribution campaigns in Masaka, Mukono and Iganga between April and June as UCDA rolled out the coffee rehabilitation drive.

Greater Masaka received 34,500 bags of fertiliser for 2,452,829 coffee trees. Central region received 34,080 bags for 2,036,166 coffee trees, while coffee farmers in Busoga and Bukedi

received 30,000 bags of fertiliser.

Speaking at the launch of the fertiliser distribution programme at the Ssaza Grounds in Masaka, Hon. Fred Bwino Kyakulaga, the State Minister for Agriculture, said the coffee fertiliser distribution programme for coffee rehabilitation will increase coffee production and productivity of the stumped trees not only in Greater Masaka, but across the country.

"Our goal as coffee producers should now be to produce Fine Robusta Coffee which will enable our farmers to earn premium prices and improve their lives."

He assured the farmers that UCDA and the Ministry of Agriculture will provide them with technical guidance.

Similar launches were held in south western Uganda where the Minister of State for Animal Industry, Hon. Bright

Rwamirama handed over 38,287 for 1,914,350 stumped coffee trees in South Western Uganda.

UCDA also delivered 17,033 bags of fertiliser to benefit farmers in the 10 districts of Rwenzori region including Kasese, Kamwenge, Bunyangabu, Kabarole, Kyenjojo and Ntoroko among others.

Changing fortunes for coffee farmers

Due to various interventions by government through UCDA, coffee farmers are beginning to see positive changes manifested by increased production and productivity.

The coffee yield per tree (productivity) has increased from 0.31kg/tree in 2014 for Arabica to 0.65kg/tree in 2021 and Robusta yield from 0.55kg/tree to 0.8kg/tree. As a reflection of improvement in quality, and adoption of Good Agricultural Practices (GAPs), the coffee bean size has increased by 66.7% for Robusta and 63.8% for Arabica respectively.

Apollo Kamugisha, UCDA's Director Development Services, notes that the Authority and Government are committed to support farmers which they have done through providing the right planting materials, farm inputs and extension services among others.

"The policy direction is to support farmers to grow coffee and, through this programme, our emphasis is on productivity improvement through stumping and fertiliser use," Kamugisha stressed. "With coffee you can't go wrong. As UCDA we are available to support you all the way." ●



Fertiliser distribution - Hon. Kyakulaga Bwino, UCDA staff and district leaders during the launch for Central region, in Mukono



Fertiliser Distribution - Hon. Bright Rwamirama officiated at the launch of coffee fertiliser distribution for coffee rehabilitation in South-Western Region at Kabwohe Town Council, Sheema.

Uganda coffee scores big at Milan expo

Coffee buyers, roasters and investors at the World of Coffee Expo in Italy praised Uganda's Arabica and Robusta coffee for its quality as new market opportunities opened up for local companies and farmers keen on producing defect-free coffee.

The Managing Director of Uganda Coffee Development Authority (UCDA), Dr. Emmanuel Iyamulemye, reiterated Uganda's commitment to consistently produce quality Arabica and Robusta coffee during the Specialty Coffee Association's World of Coffee expo held in Milan, Italy in June 2022. The Specialty Coffee Association (SCA), which represents thousands of international coffee professionals, holds the expo in different European countries every year. The association's purpose is to foster global communities and improve the quality, sustainability, profitability, and equity of the specialty coffee supply chain.

Dr. Iyamulemye appreciated Uganda coffee buyers saying UCDA supports farmers to produce and export coffee that is defect-free. "We want the best coffee to come to the buyers so the buyers can come back next time for more Uganda coffee," Iyamulemye said. "But that goes of course to the private sector. UCDA will do the quality assurance but the quality control has to be done by the private sector, farmers and other stakeholders along the whole value chain."

The UCDA MD was responding to one of the Uganda coffee buyers. Regis Bane, Manager Trade of Hamburg Coffee Company commended UCDA for the great quality coffee they buy from Uganda.

'UCDA has done a great job over the



Coffee buyers at the Robusta cupping session at the World of Coffee Expo in Milan

At the Uganda Coffee booth at the expo, UCDA held four cupping sessions during the three-day event and held meetings on the sidelines with prospective buyers, roasters and investors.

last five years in terms of quality. We received a reward last year from a client because the coffee we supplied them had zero defects. We are very pleased with the coffee we get from Uganda," Bane said.

At the Uganda Coffee booth at the expo, UCDA held four cupping sessions during the three-day event and held meetings on the sidelines with prospective buyers,

roasters and investors. The coffees showcased included Arabica and Robusta from various producers such as Nasaaga Investments Ltd (Mt Elgon), Zigoti Coffee Works (, Gorilla Summit Coffee, Kamama Estates, Ankole Coffee Producers Cooperative Union, The Edge Trading Ltd, KIMCO coffee, and Masha Coffee, among others. The Robusta cupping session had the highest attendance with over 30 buyers and roasters expressing great interest in it.

Also in attendance at the expo was Uganda's envoy to Rome, Italy, Ambassador Elizabeth Napeyok who said such expos are good for the sub sector in terms of the investment and exposure that come with the participation.

"There was a lot of networking going on and the scope has been widened for UCDA and the coffee markets," the ambassador said. "Italy as a country ...is

very good with marketing. I am therefore happy that we [attended] because coffee is one of Uganda's important products." Participation in international expos will result in more investments, added value for Uganda coffee as well as better prices, Amb. Napeyok added.

"I believe continuous engaging with the Italian market will yield results. The embassy pledges to continue working with UCDA to ensure this. We can arrange promotional meetings and follow up with investors," she said.

Members of Parliament who attended the expo commended UCDA for prioritising marketing of Uganda coffee.

"Seeing UCDA at the tail end of the value chain is a move in the right direction," Dr. Agnes Atim Apea, vice chairperson of the Parliamentary committee on Agriculture, Animal Industry and Fisheries, and Member of Parliament for Amolatar District said. "There is a very big opportunity in the world market for our coffee. I saw how excited the buyers were during the cup tasting sessions. We

need to do much more in the marketing sector."

For Uganda to penetrate global markets, it is critical that the coffee producers understand the requirements. "We need to do more in terms of market entry and market access," noted Dr. Abed Bwanika, Member of Parliament for Kimanya-Kabonera constituency in Masaka city. "We must understand the requirements for these sophisticated markets - Europe, America, Asia. [Producers] need to be here to understand what the market wants so that they work towards that in terms of quality and quantity."



Anna Illy listening to Dr Iyamulemye during the latter's visit to Illycafe in Trieste, Italy

One of the producers who attended confirmed the benefit of their presence at the expo. "We met our [regular] buyers and secured some contracts. We also met new prospective buyers and are confident we will secure more contracts," reported Rebecca A. Baguma, Senior Quality Officer at Ankole Coffee Producers Cooperative Union (ACPCU).

The Uganda delegation to the World of Coffee expo also visited the University of Coffee in Trieste and met with Anna Illy, the President of the Ernesto Illy Foundation and Moreno Faina, the director of the university and Alessandro Bucci, the director of coffee procurement at illycafé. They discussed the possibility of collaboration between the university and Uganda Coffee Development Authority to build capacity of the coffee sub sector players in Uganda.

In August 2021, Uganda overtook Vietnam to become the second-largest supplier of coffee to Italy. Almost sixty percent of the coffee exported from Uganda is bought and consumed in Italy. 🇮🇹



The Uganda delegation poses for a photo with the Illycafe team in Trieste, Italy



UGACOF won the Exporter of the Year Award.

Coffee exporters enjoy clean sweep at President Export Awards 2022

Coffee exporters had a clean sweep of the top positions at the Presidential Exporter Awards 2022, held in Kampala. UGACOF, emerged top in the Presidential Exporter Awards for the year 2022, while Olam Uganda and Kawacom were 1st and 2nd Runner Up.

UGACOF is Uganda's largest coffee buyer, processor, and exporter with an export turnover of \$100m per annum.

While receiving the award, Michael Nuwagaba, the Chief Operations Officer at UGACOF attributed the excellent performance of the coffee sector to the Coffee Roadmap launched by H.E The President, Yoweri Kaguta Museveni in 2017.

The Roadmap set a production target of 20 million bags by 2025. Since its launch, various efforts have been undertaken by different actors to see accelerated production of coffee.



Coffee exports for 12 months (July 2021-June 2022) totaled 6.26 million bags worth US\$ 862.28 million compared to 6.08 million bags worth US\$ 559.16 million the previous year (Financial year 2020/21).

"We have seen growth in our export volumes. Currently, we export over 1.2 million bags of coffee per year. This rise

is a result of the efforts of the different actors," Nuwagaba said.

Uganda has seen a steady rise in coffee export volumes which had stagnated at 3.5m bags.

Coffee exports for 12 months (July 2021-June 2022) totaled 6.26 million bags worth US\$ 862.28 million compared to 6.08 million bags worth US\$ 559.16 million the previous year (Financial year 2020/21).

The Uganda Export Promotions Board organises the awards and is the national focal point for export promotion and development. ●

Coffee Excellence: Endiro coffee wins New Product Award in Coffee & Cocoa Sofi Awards

Endiro Coffee's Bududa Bukalasi Coffee won the new product award in the coffee and cocoa category at the 50th Annual Sofi™ Awards. This marks the first time a Ugandan product has won this high honour.

N The awards, held in New York, are a celebration of culinary excellence and creativity in the \$170.4 billion specialty food industry.

Endiro's entry was a fully washed Arabica coffee grown by the Endiro Growers Bukalasi Women's Group in the village of Bukalasi in the Mt. Elgon region of Uganda. This coffee is grown at an altitude ranging from 5,850 - 6,100 feet.

While interacting with the Bududa Bukalasi women group and Endiro staff, in Bududa, Dr. Emmanuel Iyamulemye, thanked the group for bringing the high honour to Uganda and encouraged coffee farmers to emulate the dedication of Endiro and the women's group towards quality.

"UCDA celebrates with you this great achievement," Dr. Iyamulemye said. "I encourage coffee farmers to continue improving coffee quality to get more awards and recognition of Uganda coffee in global markets. This will increase the value of our coffee and how much we earn."

Uganda's Arabica coffee especially from Mount Elgon region is highly sought after worldwide for its unique attributes. In May 2022, Arabica fetched an average price of US\$ 4.09 per kilo. The highest price was



The winning coffee.
Left: The Award - Endiro's Bududa Bukalasi Coffee won new Product category

for Washed Uganda Arabica (WUGAR) sold at US\$ 5.38 per kilo, and was followed by Sustainable Arabica Fully Washed Sipi Falls which sold at US\$ 5.28 per kilo, a premium of US Cents 40 over conventional Bugisu AA. Farmers can continue to earn premium prices if they improve on quality.

Winning the prestigious Sofi Award

Endiro Coffee's Uganda Bududa Bukalasi Coffee was one of 102 winners chosen from nearly 2,000 entries across 53 product

categories by a panel of gourmet food experts.

Products are evaluated based on their flavour, look, texture, and scent, as well as their ingredient quality and innovation. All tastings are held anonymously at the Rutgers Food Innovation Center.

"We are pleased that our flagship coffee earned a New Product Award," says Endiro Coffee Co-CEO Cody Lorange. "As business owners, we are constantly looking for ways to know that our product is well-liked. This is one of the highest validations of the work done by Endiro farmers in Uganda and our roastery staff in the United States, and we are appreciative."

"Ultimately, the most essential thing is that the business we run continues to help us accomplish our mission of ending child vulnerability in Uganda and around the world," said Gloria Katusiime, co-founder and CEO of Endiro.

"The award proves that good coffee can be produced in a way that benefits farming families and the environment." Good coffee should always be good from the tree to the cup. 🍵





Beneficiaries of the Coffee wet mills pose for a photo with the Hon. Fred Kyakulaga Bwino at the launch of the distribution exercise in Kampala.

UCDA Gives out Shs 2.2bn Wet Processing Equipment to Arabica Coffee Farmers

Mount Elgon, Uganda, is known for producing some of the country's best Arabica coffee and yet, cooperatives like Kalaamugosi Women's Empowerment still struggle to process their coffee to the right quality.

We use old and small pulping machines that take a lot of time and as a result, some coffee is left over for two nights before it is pulped," says Nakayenze Kasandra, one of the group members.

This has huge implications on the quality of coffee and the price farmers get.

"We lose a lot of money because we lack the right equipment," Nakayenze says.

This, however, will be a problem of the past as UCDA handed over to Kalaamugosi Women's Group a new pulper with capacity to process 800kgs of cherry per hour.

This was at a function where the Minister of State for Agriculture, Hon. Bwino Fred Kyakulaga launched the distribution of coffee wet processing equipment worth Shs 2.2bn to coffee processors from across the country. The launch took place at the Tirupati stores in Kyebando, Kampala.

The Minister, flanked by Dr. Emmanuel Iyamulemye, the Managing Director of UCDA handed over 35 coffee wet processing equipment (wet mills) to farmers, cooperatives and institutions selected from different parts of the country.

During the function, Bwino noted that the main objective of procuring the wet processing equipment is to increase the

number of wet mills and enhance coffee farmers' income through value addition by increasing the production of high-quality coffee.

"Most of our coffee is processed and marketed as natural and misses the premium prices. Yet, if the coffee is processed as washed and specialty coffee, it earns more," Hon. Bwino said. "For instance, one kg of natural Arabica (dry Uganda Arabica) coffee fetches Shs14,000 while a kg of washed Arabica coffee fetches Shs18,000."

The wet mills will, therefore, increase the production of premium coffee which in turn will enhance the incomes of coffee farmers, he added.

The programme is part of UCDA's efforts to increase specialty coffee volumes and enable farmers and the country to earn premium prices from high-quality Arabica coffee.

The Minister handed over five electric-powered wet processing units (UDC 2000) with a capacity to process 1,200kgs of cherry per hour and 30 petrol-powered units with a processing capacity of 800kgs of cherry per hour. Once installed, the machines will pulp ripe coffee, separate the unripe and dry pods from the good parchment, and remove mucilage leaving high-quality parchment.

The equipment will serve farmers and groups in the hard-to-reach areas of Kween, Lamwo, Bundibugyo, Ntoroko, Buhweju, Kanungu, and Kisoro that have all benefited from the programme.

Uganda has only 18 commercial wet mills compared to the 850 available dry mills. There is need to scale up wet processing to produce commercial volumes in Arabica and Robusta growing areas which will fetch premium prices.

Speaking at the same event, Dr. Emmanuel Iyamulemye, the Managing Director at UCDA, said that the Authority worked with Local Governments to select the beneficiaries.

"We went through a transparent and rigorous process to select the beneficiaries. Many farmer groups and cooperatives applied for the wet mills but since the funds available weren't enough, the most qualified organisations were considered.

He added that the equipment will be installed and operational within two months. However, he cautioned the beneficiaries to use the wet mills for the intended objective.

"This is a conditional allocation from Government, and if the machines are not used properly, we shall take them back," Iyamulemye said, urging beneficiaries to allow other farmers to use the equipment at no extra fee apart from operational costs.

Alfred Boyo, a director at Masha Coffee, who spoke on behalf of the beneficiaries, expressed gratitude to UCDA and MAAIF



The Minister of State for Agriculture, Hon. Bwino Fred Kyakulaga, flanked by Dr. Emmanuel Iyamulemye, the Managing Director of UCDA handed over 35 coffee wet processing equipment (wet mills) to farmers, cooperatives and institutions selected from different parts of the country.

for availing wet mills to farmers, noting that they will handle them with care and make the best use of them.

He added that the Government should also consider investing more in secondary processing by making relevant equipment like roasters and grinders available.

SCOGEM Enterprises Ltd supplied the equipment. Walter Upoki Umika, the Managing Director at SCOGEM Enterprises Ltd, said all the machines are full coffee washing equipment and can do pulping, sorting, flotation and mucilage removal. In addition, they have the flexibility to do honey coffee. The smaller machines cost Shs40m each while the bigger ones cost about Shs220m each.

In FY 2020/21, Uganda earned US\$ 559 million from 6.1 million 60-kilo bags. Placing substantial investment in the coffee sub-sector will be a game-changer for the country and the 18 million households who benefit from coffee. ●



Dr. Emmanuel Iyamulemye interacts with officials from the Uganda Prisons Service, one of the beneficiaries of the wet mills.

Uganda Coffee Exporters Tipped on How to Penetrate China Market

Uganda coffee exporters met with Uganda's Deputy Head of Mission to Beijing, China, Amb. Fred Mugisha, to strategise on how to penetrate the China market.

The meeting held on 15th April 2022 in Kampala, was a follow up of the first ever Uganda Coffee Day simultaneously held on March 17, 2022 in Uganda and China and was convened to discuss the coffee opportunities in China and the issues raised by coffee stakeholders in Guangzhou, China.

"We have been marketing and promoting Uganda coffee in China and of late, we have come across very serious [Chinese] companies that want to do joint ventures

with Ugandan companies to get our coffee in the Chinese market," Mugisha said.

China is the second biggest economy in the world with a huge middle class. Traditionally, Chinese were tea people but they are now shifting to coffee and according to Amb. Mugisha this provides Uganda a big opportunity.

The Ambassador pledged the embassy's support to exporters who are ready to do business in China. He noted that online marketing is the way to go and

encouraged them to take advantage of the available online channels to market Ugandan coffee.

David Katungi, Director of Strategy and Business Development at Uganda Coffee Development Authority (UCDA), called on the exporters to embrace the opportunities in emerging markets such as China to sell their coffee. He reiterated Government's pledge to support exporters and emphasised that Government has invested in interventions to increase production which will boost export.



Uganda's Deputy Head of Mission to Beijing, China, Amb. Fred Mugisha (seated in the centre) at a meeting with UCDA and coffee exporters to strategise on how to penetrate the China market.

"We have interventions geared towards increasing coffee production and productivity. In 2017, we launched the Coffee Roadmap whose target is to produce 20 million bags by 2025 and we are moving steadily towards that target. With the interventions that we have put in place such as providing seedlings to farmers, extension services and guiding farmers on good agricultural practices, we should be able to produce what is able to satisfy the market," Katungi said. He encouraged stakeholders to continue investing in coffee before continuing to recount UCDA's strategic interventions in China and other emerging markets.

"UCDA is working with Uganda's foreign missions to promote coffee," Katungi said. "Specifically, we have developed a coffee promotion strategy for China (which we will share with you at an opportune time). We are also in the process of developing an online marketing platform to explore the opportunity of promoting, and selling Uganda coffee online."

The Acting Director Quality and Regulatory Services, Doreen Rweihangwe, notified the exporters that UCDA has profiled Uganda coffees according to agro ecological zones in partnership with Coffee Quality Institute (CQI). Exporters will be able to use the coffee profiles to market their coffee which is important for buyers who want to trace the coffee origin.

During the meeting attended by small and medium companies, exporters raised concerns such as the need for a warehouse in China, branding, marketing and promotion and trade financing among others.

"A warehouse is a necessity for us and the sooner we get it, the better for our entry into the Chinese market," Joseph



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Nkandu, the Executive Director at National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE), said. Nkandu also noted that there is need for the government to de-risk the market. He also stressed that there should be a deliberate effort to send young Ugandans to China to learn the language to prepare companies to do business in China.

Nkandu added that "finance is going to be an important factor" if Uganda coffee exporters are going to penetrate the Chinese market.

Aggrey Tumuhairwe, a partner in Kangumamu Agro processing and Exporters, a player already exploiting the Chinese market said that for Ugandan exporters to benefit from the China market, they will require an office there and will need to partner with Chinese companies. He said it is very difficult to break into the Chinese market without joint ventures. Tumuhairwe also noted that the quality of coffee and the consistency are key. He called on Government to support exporters through a brand awareness campaign of the country that will make Uganda known in China. This can then be supplemented with a coffee promotion campaign.

In an interview on the sidelines of the

meeting, Katungi noted that Uganda has the capacity to satisfy the China market.

"We have seen a trend of several people entering the coffee industry to produce on a commercial level. There is a lot of land under coffee production," he said. "We see coffee production going up and investments going into it. So, we are confident that we have sufficient volumes to meet the huge market in China and other emerging markets."

Katungi urged the exporters to build their capacity to provide quality coffee which will guarantee the market. The exporters, he emphasised, need to do due diligence to understand the needs of the coffee buyers in order to mobilise the kind of coffee required. In addition, they need to work together as no single exporter would be able to satisfy the market.

"Exporters would benefit more from this market if they came together and raised sufficient capital or meet the requirements because the volumes are high," Katungi said. "Exporters should understand the dynamics of the China coffee market. One of those dynamics is that for one to supply and sustain supply they will need to partner with a local Chinese firm."

Importantly, Katungi said that whereas China is a very unique market because of their culture, the general marketing principles apply. The exporters must ensure they meet the market quality requirements, they must be consistent with supply, they must be trusted and operate on pure acceptable business principles, he guided.

Coffee exports to China have been increasing over the years. For instance, Uganda exported 33,000 bags of coffee to China in 2018, 66,000 bags in 2019 and 83,000 bags in 2020. ●

NaCORI Readies to Release New Arabica Coffee Varieties After 30 Years of Research

Five new varieties of Arabica coffee are in their final evaluation stage at Bugusege Satellite in Sironko district.

Dr. Geoffrey Arinaitwe, the Director of the National Coffee Research Institute (NaCORI), says that they have been researching 20 varieties of Arabica coffee but five of the varieties will be ready for release in a year's time.

He notes that the new varieties yield much and are resistant to diseases and pests compared to the SL14 variety, which is grown currently.

The other Arabica coffee varieties include SL 28 (high altitude), KP 423 (medium) and the traditional Nyasaland that is grown in the Mt. Elgon region, the Rwenzori Region and in the mountains of Zeu in Zombo District.

Uganda has not released any new Arabica Coffee variety since 1970. Arinaitwe attributes this to the long time it takes to breed new varieties, noting that it has taken NaCORI 30 years of research to come up with the new varieties.

He explains that the country has a target of producing 20 million bags of coffee by 2025 which he says will be possible with the new varieties.

Dr. Patrick Charles Okori, the Sironko District Production Officer, says that the biggest challenge facing the old Arabica coffee varieties is their susceptibility to pests and diseases and the poor soil fertility, which has affected production.



Coffee research: A research officer inspects the performance of one of the new varieties set for release.

According to Okori, currently, the average production of coffee per tree is two kilograms per year. He, however, notes that with the improved varieties, a tree will be able to produce between 3 and 5 kilograms.

David Livingstone Giruli, the LC V Chairperson of Sironko District, says that the biggest challenge farmers face with the current varieties is persistent attacks by pests and diseases which are very expensive to manage.

Toshi Victor Bwana, a member of the Umoja Conservation Trust, says that as NaCORI prepares to release new varieties of Arabica coffee, there



NaCORI staff with some of the coffee samples.

is need to prepare the ground to maintain the natural high altitude conditions where Arabica coffee thrives. ●



Hon. Bright Rwamirama addressing visiting members of the Nigeria College of Defence.



Some of the Nigeria College of Defence faculty and participants



Dr. Emmanuel Iyamulemye hands over a Robusta coffee handbook to Brig. Gen. Herbert Mbonye, the Military Advisor to Uganda's High Commission in Nigeria.



MAAIF, UCDA host the Nigeria National Defence College

On 9th June 2022, the Minister of State for Animal Industry in the Ministry of Agriculture, Animal Industry and Fisheries, Hon. Bright Rwamirama together with the Managing Director Uganda Coffee Development Authority, Dr. Emmanuel Iyamulemye hosted participants and faculty of the National Defence College, Nigeria. They discussed Uganda's policy interventions in accelerating coffee production and exports. The delegation was led by Brig. Gen Herbert Mbonye, Military Advisor to Uganda's High Commission in Nigeria.

In pictures: Bringing the #UGCoffee experience to coffee lovers

Did you know that Uganda coffee is one of the best in the world and a regular cup of coffee has immense health benefits?

In 2020, Uganda's Arabica coffee was rated as third best in the world and the quality of our Robusta remains unmatched in the world.

Despite its unique taste, world class quality, and numerous health benefits, few Ugandans have had a chance to enjoy a cup of Ugandan coffee.

UCDA is promoting domestic coffee consumption through participating in various public functions across the country and serving coffee to coffee lovers. ●

Women's Day Kakumiro



Prime Minister, Rt. Hon. Robinah Nabbanja and Deputy Speaker of Parliament, Rt. Hon. Tayebwa paid a courtesy visit to the UCDA tent for a cup of coffee



Minister of Finance, Planning and Economic Development, Hon. Matia Kasajja at the UCDA tent.

Public Service Day, Kololo



UCDA participated in and served coffee at the Africa Public Service Day held on June 23, 2022 at Kololo, in Kampala under the theme: Bringing citizens and government closer - service delivery for social-economic transformation.

Launch of fertiliser distribution in Kasese



Coffee farmers in from Rwenzori region receive fertiliser from UCDA officials after the launch of the distribution programme in Kasese.



Guests enjoy a cup of #UGCoffee served by UCDA baristas during the launch of the fertilizer distribution exercise in Kasese district.

National Agricultural - Education Show 2022,



YouthInCoffee: Barbra Akajorait explains to students the opportunities in the coffee value chain at the UCDA exhibition area.



Service with a smile: The UCDA staff ready to give exhibition goers a UGCoffee experience at the Agricultural show

UCDA gets new staff



New UCDA staff pose for a photo with the Human Resource Officer (HRO) after a briefing at Coffee House: L-R Amos Taremwa (Regional Coffee Technical Officer), Joseph Jehopio (Statistician), Alex Hatola Osoro (Regional Coffee Extension Officer (RCEO)), Memory Akanyijuka (RCEO), Kenneth Bigira (Quality Assurance Officer (QAO)), Rashida Nanyombi (HRO), Willy Nelson Kisenyi (QAO), Kamugisha Danson Muhindi (RCEO), Nobert Ahebwa (RCEO), Michael Baguma (RCEO). Other new staff (not in the photo) include Julius Lakareber (RCEO), Peter Charles Apunyo (RCEO) and Stephen Natuhamyia (Procurement Officer).

Change in the Quality and Regulatory Services Directorate

Three Promotion Officers, Brenda Kamara Kemigisha Mangeni, Florence Nakyanzi and Naume Komuhangi, and one Quality Assurance Officer, Adolf Bagonza, were appointed effective 1 July 2022.

COFFEE TRENDS

June 2022



Key Highlights



A total of **530,365 60-kilo bags** of coffee valued at **US\$ 83.79 million** were exported in **June 2022** at an average weighted price of **US\$ 2.63 / kilo**, **4 cents** lower than **US\$ 2.67 /kilo** in **May 2022** and **US\$ 1.05** higher than **US\$ 1.58/kilo** in **June 2021**. This was a decrease of **14%** in quantity but an increase of **43%** in value compared to the same month last year.



Farm-gate prices for **Robusta Kiboko** averaged **UGX 2,600 per kilo**, **FAQ UGX 6,450 per kilo**, **Arabica parchment UGX 10,500 per kilo** and **Drugar UGX 9,500 per kilo**.



Coffee exports for **12 months (FY2021/22)** totaled **6.26 million bags** worth **US\$ 862.28 million** compared to **6.08 million bags** worth **US\$ 559.16 million** the previous year (FY2020/21). This represents an increase of **3%** and **54%** in both quantity and value respectively.

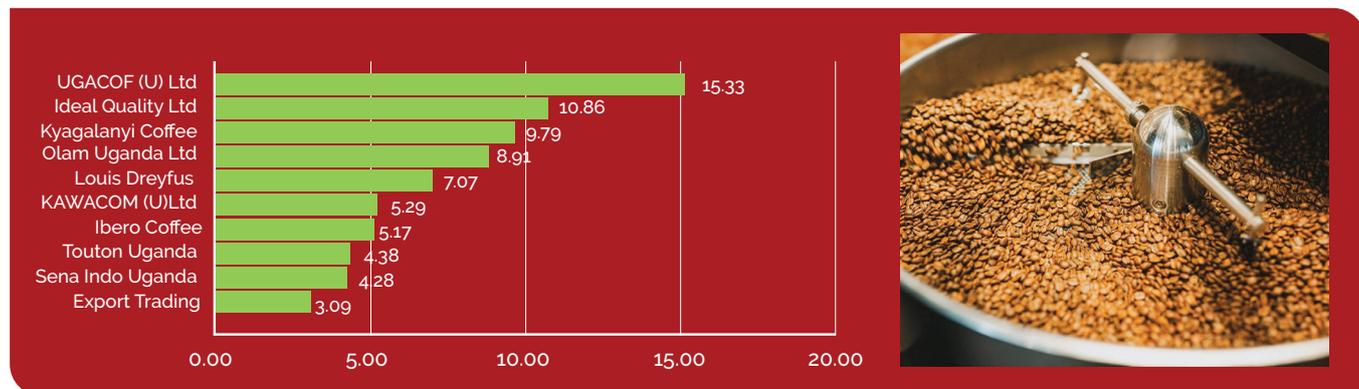


74% of the total volume was exported by **10 exporters**, out of **55 companies** which performed during the month, compared to **77%** in **May 2022**. **Okoro CP/B** fetched the highest price at **US \$ 7.23 per kilo**.

Trend of Total Quantity and Value of Coffee Exported: July 2021- June 2022

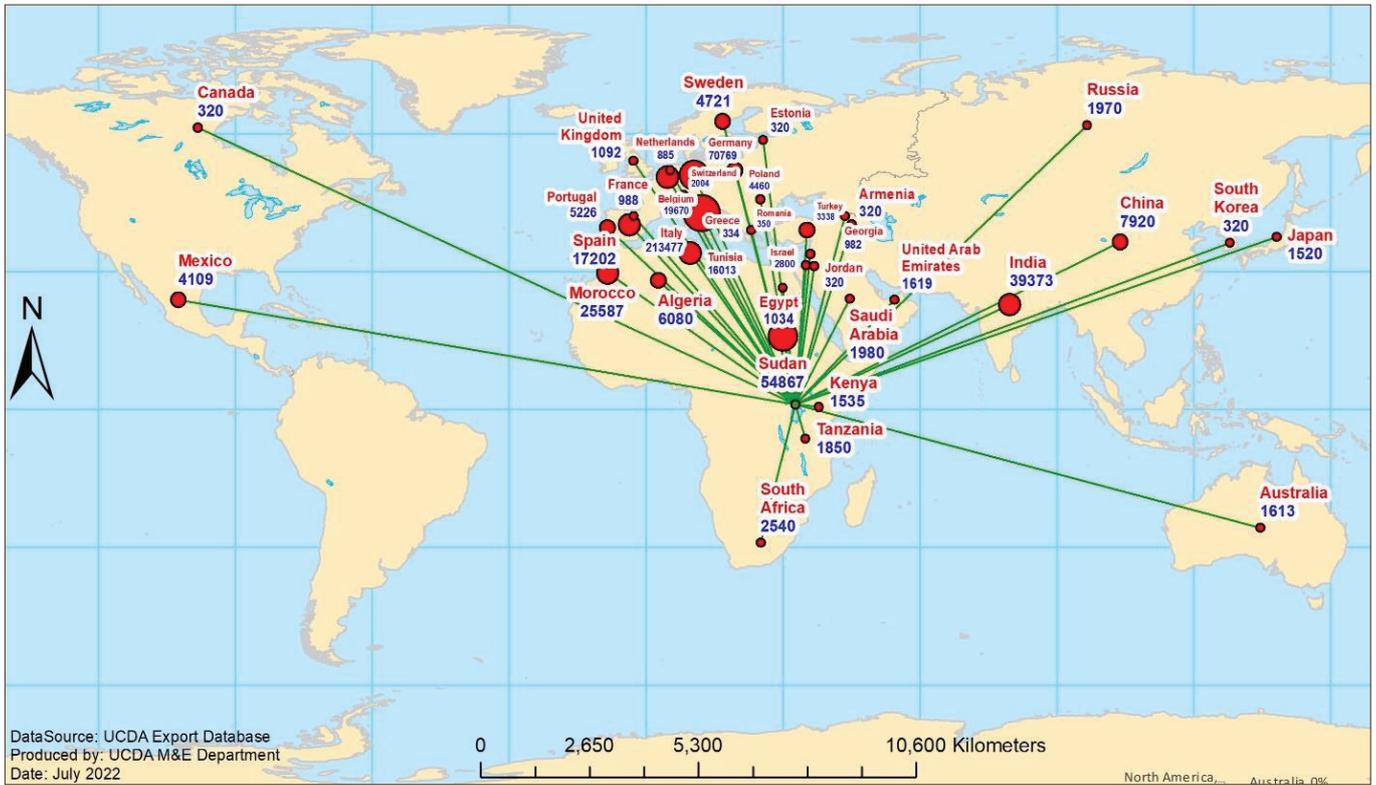


Top 10 Exporting Companies by percentage market share June 2022

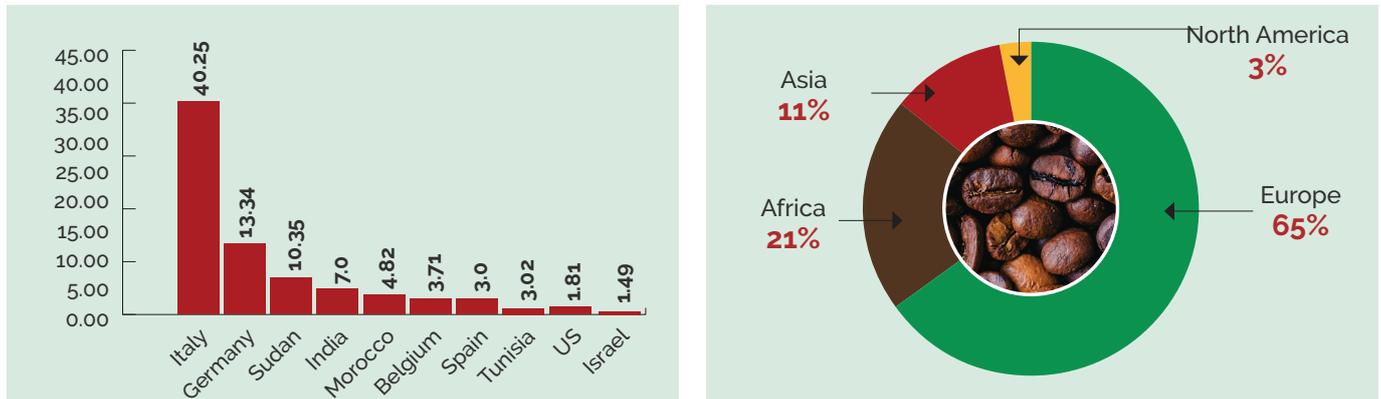




Map showing Uganda's coffee destinations for June 2022



Coffee Destination by market share for the Month of for June 2022



Quantity of Coffee exported by type for June 2022 (60Kg-bags)



Total: Quantity: 530,365 60Kg-bags | Value: US\$ 83.79 Million

COFFEE TRENDS

June 2022



ICO Indicator Prices - June 2022

In US cents/lb

	ICO composite indicator	Colombian Milds	Other Milds	Brazilian Naturals	Robustas
01-June	208.69	309.35	282.02	239.02	106.24
02-June	207.28	307.73	280.41	237.10	105.45
03-June	203.74	301.82	274.50	231.35	106.01
06-June	206.40	306.53	279.18	235.09	105.87
07-June	204.34	303.76	275.73	232.54	105.28
08-June	203.22	302.23	275.51	231.01	104.12
09-June	204.93	304.92	278.20	233.71	104.07
10-June	201.45	299.71	272.20	228.96	103.75
13-June	197.37	294.37	266.86	223.62	101.89
14-June	199.93	298.38	270.68	227.62	102.00
15-June	201.14	300.04	272.33	229.40	102.30
16-June	204.06	303.54	274.03	234.46	103.89
17-June	202.23	300.94	272.08	231.53	103.34
20-June	202.72	301.64	272.01	230.97	105.02
21-June	206.43	306.79	277.17	236.35	105.95
22-June	208.15	309.88	281.45	237.85	105.91
23-June	202.76	301.83	274.33	230.28	104.29
24-June	198.14	295.78	267.49	224.46	102.47
27-June	196.33	293.92	266.00	221.10	101.83
28-June	193.32	289.69	261.93	217.00	100.78
29-June	200.53	300.06	272.29	227.54	102.24
30-June	200.92	301.71	274.79	227.77	101.11
Average	202.46	301.57	273.69	230.40	103.81
High	208.69	309.88	282.02	239.02	106.24
Low	193.32	289.69	261.93	217.00	100.78

ICO composite indicator price - June 2022



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Benefits of Drinking *Coffee*

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



Together
with **YOU**



Uganda Coffee Development Authority



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**Do you have any questions
about coffee?**

Reach us on: 0800 35 35 30

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with YOU**



Uganda Coffee Development Authority

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