

EXECUTIVE SUMMARY

1. Marketing

- A total of 2.67 million 60-kilo bags of coffee worth US \$ 266.7 million, comprising Robusta - 1.96 m bags (\$ 163.5 m) and Arabica – 0.71 m bags (\$103.2 m), were exported during the coffee year ended September 30, 2010.
- Weighted average price stood at \$ 1.62 per kilogramme, 1.9% up compared to \$ 1.59 recorded in the previous year. Arabica prices went up by 19.2% from \$ 2.03/kilogramme to \$ 2.42. In contrast, Robusta prices fell by 5.4% from \$ 1.47 per Kilogramme to \$ 1.39.
- The number of registered coffee exporting companies went up to 42, up from 39 recorded last year. However, 35 were active of which the top 10 handled 84% of the export volume. The 3 new ones being Anitas Coffee, Elgon Commodities Ltd., and Lwanyaga Coffee Factory Ltd.
- 67.3% of Uganda coffee was bought by 10 companies where 5 companies handled 42%: Eco Agro-Industrialists - 10.8%, Sucafina – 8.6%, Socadec – 8.3%, Abaco International – 7.6% and Bernhard Rothfos - 6.7%.
- The main destinations of Uganda coffee were members of the European Union who together imported 1.94 million bags (72.7%) followed by Sudan with 499,755 bags (18.7%) and Switzerland – 98,626 bags (3.7%), USA - 79,485 bags (3.0%) and others 1.9%.
- Farm-gate prices averaged Shs. 1,180 Shs. 2,385 and Shs. 3,720 per kilogramme up from Shs 1,010, Shs. 2,270 and Shs. 2,530 for Kiboko, FAQ and Arabica Parchment respectively, realized last year.
- Domestic coffee consumption strategy was developed with emphasis on 6 thematic areas: Creating awareness on health benefits of drinking coffee; Institutional development (UCRA and its members), and the academia; Training in good roasting and brewing practices; Review of Product Standards at roaster level; brand development, and Monitoring and evaluation – market research.
- Continued to promote domestic coffee consumption through district coffee shows, UMA Shows, National Agricultural Show, World Food Day, etc through which attendants were showed how to prepare a good cup.
- Closing stocks as on September 30, 2010 stood at approx 512,240 60-kilogramme bags of coffee – 371,180 bags at export level and 141,060 bags at primary processing level. The stocks at household level were not significant.

2. Quality Assurance

- 600 players at post-harvest level were registered during the year - 250 buying stores, 300 primary processors, 42 exporters and 8 roasters. Among exporters, 5 were new companies namely, Penform Trading Co Ltd., Anitas Coffee, Trans-gaz (u) Ltd., Elgon Quality Commodities and Gold (Africa) Nile Ltd.
- Seven (7) new wet mills were installed during the year and UCDA provided technical assistance. These comprised six (6) units in arabica growing areas, namely Busulani (4.0 tonnes/hr), Cheema (3.6 tonnes/hr), Gibuzale (2.5 tonnes/hr), Manafwa (2.5 tonnes/hr), Busana (1.0 tonne/hr) and Kabeywa (0.5 tonne/hr); and one for Robusta of 1.5 tonnes/hr in Ishaka district. This was in addition to the 3 washing stations rehabilitated by Bugisu Co-operative Union (BCU) – Gibuzale, Busano and Manafwa.
- At export grading level, 2 new factories were established by Armajaro (U) Ltd in Bweyogerere and Job Coffee Ltd in Ntinda.
- Out-turn for Robusta dry cherries (Kiboko) to FAQ ranged between 45% and 56%, a drop from an average of 57.3% realized in the previous year. The drop was blamed on the prolonged dry spell experienced during in the robusta coffee areas.
- There is a general improvement in the quality of coffee over the years, which owed to enhanced agricultural and handling practices in the industry. The percentage of clean cups stood at 97.3% up from 96.8% recorded in the previous year. Organic coffees (robusta and arabica) registered 100% of clean cups.
- At total of 46 participants underwent training in Basic Quality Control techniques, which included laboratory management as well. These included 18 university students from the faculties of food science and technology on industrial training.
- Under Barista training, 96 were trained and of these 30 partook in the 3rd National Barista Championship competition where one Roberts MBABAZI of Favour Café in Jinja emerged the champion. Barista training has positively impacted on the quality of the coffee cup served at various outlets.
- Three (3) training sessions in commercial roasting, blending and packaging were conducted during the year benefiting 35 participants who were drawn from hotels, restaurants and cafés.
- Uganda along with other Robusta coffee growing countries developed protocols for fine Robusta coffee with assistance from Mr. Ted Lingle,

Executive Director of the Coffee Quality Institute (CQI), USA. The protocols were later presented to the International Coffee Council (ICC) in September 2010.

3. Development

- Under generation of planting materials, 13.5 m/tonnes of elite seed – Robusta 10.7 tonnes and Arabica 2.8 tonnes – were distributed to nursery operators to raise seedlings. In addition 307 tonnes of shade tree seed (*Albizia*) were also given out.
- Rehabilitation works of seed gardens in Buginyanya and Zombo was completed during the year. Seed production from these gardens is projected at 8,000 tonnes in 2010/11 – Buginyanya 7,000 Kgs and Zombo 1,000 Kgs. Rehabilitation of Nyamigogo seed garden in Kisoro district is due to start.
- A total of 14.91 million seedlings were procured and distributed to farmers and farmer groups to plant during the year – direct to individual farmers 6.35 m seedlings, members of the community-based nurseries (CBNs) 7.06 m seedlings, and other interest groups 1.5 m. Under the Northern Uganda project 150,480 seedlings were planted all together (9,130 were arabica seedlings planted in Lututur Prison area).
- 108 demonstration sites of one acre each were set up, one per subcounty, through which Good Agronomic Practices (GAPs) are passed on to farmers. Farmers' response is good and increase in yield is being sighted on coffee gardens of early adopters of the technologies.
- 168 acres of old coffee shambas have been stumped with direct assistance from UCDA field staff who are equipped with the appropriate tool kits – power saws, secateurs, bow saws and pangas.
- To further stimulate farmers' interest in coffee growing; coffee farmer competitions were introduced in 20 districts although 14 participated – Eastern 4, Northern 2, Central 6 and Western 2. The best farmers in each district received prizes ranging from Solar panels, Hand pulpers, Tarpaulins, Spray pumps, pruning kits, NPK fertilizers, Radios and Certificates.
- Costs of production at various levels of agro-inputs use were established and the most rewarding option recommended to farmers.
- Coffee farmers under the Northern Uganda coffee project had coffee field tours in South-western Uganda, which exposed them to good agronomic practices for profitability. In addition, lead farmers were facilitated to attend the Agricultural Show in Gulu where they exchanged views with other farmers.

- Two workshops were conducted in Northern Uganda to sensitize farmers on quality and marketing and thereafter, the farmers were given 21 dry trays and 60 tarpaulins. And a total of 96.7 m/tonnes of Kiboko were later sold through group marketing – Acholi 38 tonnes and Lango 58.7 tonnes.
- A total of 25,865 farmers were registered under promotion of the Sustainable coffee initiatives (SCI) – Eastern (18,757 farmers), Central (68 farmers), Northern (5,000), Western & South Western (2,040). Training workshops were conducted on certification and verification of the various sustainable coffee initiatives – Organic, 4Cs, Utz Certified and Rainforest Alliance.
- Farmers under the Mt. Gorilla Organic Coffee Association were supported by Urth Caffé of California, USA with hand pulpers, spray pumps, solar panels, water tanks, goats and bicycles. The support has boosted farmers' interest in the project and production is envisaged to go up by at least 0.5 tonnes to 3 m/tonnes in 2011.
- Propagation of the 7 Coffee Wilt Disease resistant lines, released by the Hon. Minister of Agriculture, Animal Industry and Fisheries in the previous year, into commercial quantities was embarked on using tissue culture technology and nodal cuttings. The Kawanda tissue culture Laboratory was boosted with equipment.

4. Research

- 890 plantlets were generated from the 7 CWD resistant Robusta lines using tissue culture technology at Kawanda, and later given to nursery operators to set up mother gardens for further multiplication. The beneficiaries included MUZARDI of Mukono, JOB Coffee of Nakaseke, Reverend TWINAMATSIKO of Mubende, Kabunanga Investments of Mityana, Mrs. Mukiibi of Masaka and Mrs. Kava of Rakai. This was in addition to a demo garden of 75 bushes set up at NaCRRRI, Namulonge.
- Another 8,361 plantlets that are in humidity chambers and 7,908 planted in polypots will be ready for distribution to farmers in the first rains of 2011. This is in addition to the 362 plantlets that are already hardened for field planting.
- Working with COREC, coffee nursery operator sites to work as centre of excellence for rapid multiplication of the 7 elite CWD resistant Robusta varieties were identified – Central region (8), Eastern (3), Western (6), and South Western (3).
- The study undertaken by COREC to identify the pests, to which the 7 CWD resistant lines are susceptible to, revealed twig borer, may be a threat to the new variety. Data on other pests are still being collected with a view of coming up with an Integrated Pest Management package.

5. Finance and Administration

- The Board presented a concept paper to the Hon. Minister of Agriculture, Animal Industry and Fisheries for additional funding, which was included in DSIP. Furthermore, the Board gave an update to the Minister on the National Coffee Policy (NCP) that was being developed in consultation with the stakeholders.
- Under monitoring and evaluation, the Board of Directors undertook field trips in Wakiso, Mpigi, Mityana and Mubende districts and noted the critical success factors on the ground as limited supply of planting materials, rehabilitation of old coffee gardens and quality improvement.
- The Audit Committee of the Board visited the Joint Venture Companies in Cairo, Egypt and Beijing, China and came up with the following recommendation:
 - That the Private Sector should have greater participation in the JVCs on commercial basis, leaving generic promotion to UCDA.
- Board members on UGEMCO Board attended the Annual General and Stakeholders' meeting where UGEMCO Board was appointed with Uganda as the chair.
- Under generic promotion, Uganda participated in the Canton Guangzhou City trade show, SCAE in London, Shanghai Expo 2010 in China, World Travel Market in London, and the UNAA conference through which Uganda coffee was showcased.
- UCDA procurement and disposal process was audited by PPDA and found to be 83% compliant with the PPDA Act, putting UCDA in the 6th position out of the 72 government institutions.
- On management of assets, repair works was done on all UCDA buildings and the access road to Bugolobi premises was tarmacked. The properties are now in tenantable conditions.
- Similarly, the entire fleet of vehicles, 7 vehicles and 19 motorcycles were routinely serviced but 2 units UAF 660 K and UAA 295 E are due for replacement.
- Uganda ratified the International Coffee Agreement (ICA) 2007. UCDA participated in all ICO meetings and it is through these meetings that the Managing Director, Mr. Henry NGABIRANO was elected the Chairman of the International Coffee Council (ICC); and also Uganda was listed as a beneficiary of the Common Fund for Commodities (CFC) funded Gourmet Project.