

The Coffee Farmer

NUCAFE NEWS LETTER VOLUME 05/02, ISSUE 2 JULY - SEPT 2005

National Union of Coffee
Agribusinesses and Farm
Enterprises (NUCAFE)



INSIDE THIS ISSUE:

**COFFEE POLICIES 3
IN THE MARKET
ECONOMY...**

**BITTER OR BET- 4
TER FUTURE FOR
THE COFFEE PRO-**

**ENCOURAGING 4
COFFEE FARMERS
TO GROW MORE...**

**THE CONVENTION 6
IN PICTURES**

**MORE OF THE 8
CONVENTION IN
PICTURES**

**MARKETING OF 10
BUNJAKO ISLAND
SPECIALTY COF-**

**NUCAFE STAFF 11
GETS "NKG COF-
FEE DIPLOMA"**

**LEADERS URGE 12
FAIR SHARE FOR
THE POOR COF-
FEE FARMERS**

THE VICE PRESIDENTS' SPEECH AT THE NATIONAL COFFEE FARMERS CONVENTION (PULLOUT)



H. E. Professor Gilbert Bukenya, the Vice President of Uganda Meeting with one of the Italian Diplomats (web photo)

This convention is a recognition by everyone of the importance of Coffee in the economy of Uganda. Many of us gathered here today were educated by money got from Coffee

and many of us here earn their living directly or indirectly from coffee. The coffee sub-sector is still the biggest employer in this country accounting for over 3.5 million livelihoods. Coffee is still the largest cash crop income earner for the country. It is therefore our duty not only to continue nurturing it but to deliberately improve its performance in both the local and international markets.

For all your work and effort towards keeping the Coffee industry alive and healthy, I take this opportunity to pay tribute to:

- The Uganda Coffee Development Authority (UCDA)
- The National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE)
- The Coffee Fraternity and other Stake holders

Who have organ- **Turn to page 2:**

NUCAFE EVENTS

- 31/10/05: Mr. DAVID MUWONGE RETURNS HOME WITH A COFFEE DIPLOMA
- 22/10/05: E.D Mr. JOSEPH NKANDU REPRESENTED NUCAFE IN BRAND UGANDA LAUNCH
- 18-20/10/05: E.D Mr. JOSEPH NKANDU PARTICIPATED IN THE C.C.C WORKSHOP IN NAIROBI-KENYA
- 23-25/09/05: Mr. JACK L. BIGIRWA REPRESENTED COFFEE FARMERS TO THE SECOND WORLD COFFEE CONFERENCE IN SALVADOR -BRAZIL
- Mr. HERMENT A. MREMA PARTICIPATED IN THE ILO/LEURE WORKSHOP IN NAIROBI-KENYA

CHAIRMAN'S SPEECH AT THE NATIONAL COFFEE FARMERS' CONVENTION (PULLOUT)



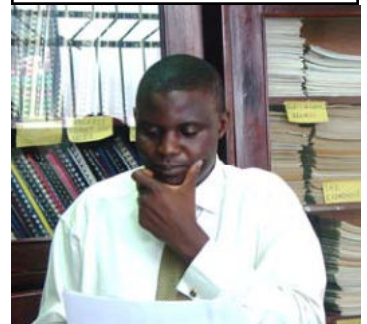
Mr. Jack L. Bigirwa (Chairman NUCAFE BOD) at the Coffee Farmers Convention at Namboole National Stadium in Bweyogerere.

The coffee farmers would like also to dialogue on the future of the Uganda Coffee sector in view of the global and local challenges so that we can forge a way forward to the betterment of the coffee farmers.

We would like to restore hope in ourselves be-

Turn to page 2:

A WORD FROM THE EXECUTIVE DIRECTOR-NUCAFE



Mr. Joseph Nkandu, Executive Director NUCAFE

This year 2005 has been hard work on part of NUCAFE and **Turn to page 6:**

CHAIRMAN'S SPEECH AT THE NATIONAL COFFEE FARMERS CONVENTION CONTINUED:

From page 1: cause most coffee farmers had lost hope on coffee as a result of the coffee crisis.

Achievements of NUCAFE

To date we have managed to organize ourselves into 102 coffee farmers associations in all the coffee growing districts of Uganda and over 100,000 farming families with over 300,000 individual coffee farmers have been mobilized to enhance their capacity in adding value, improving quality and marketing coffee directly to exporters.

Having said all that, I would like also to share with you the challenges we are facing as coffee farmers:

The Coffee commodity of today and the future to come will continue NOT to be like that of the period before liberalization and globalization. This in itself poses very serious challenges to the coffee farmers and I wish to categorize the challenges in two ways; those that

are internally influenced and those that are externally influenced:

Internal

....coffee farmers are selling flowers and at most unprocessed coffee cherries.....

Challenges

From the local point of view, the coffee farmer is faced with lack of ownership and control over the coffee and programmes. Since liberalization, this has dis-empowered coffee farmers from making informed decisions that would make a difference in their livelihoods. This has resulted into deteriorating coffee quality and declining volumes at farm gate and national level. When liber-

alization came, the coffee farmers were not assisted to organize themselves in order to maximize sustainably on the benefits that come with liberalization and globalisation. The benefits that the coffee farmers enjoyed in the mid 1990s were short-lived. For example in 1996/97, Uganda exported 4.2 million bags. However, last coffee year 2003/2004, Uganda exported only 2.5 million bags.

Today coffee farmers are selling flowers and at most unprocessed coffee cherries (kiboko) to middlemen and this has made farmers to become poorer and poorer.

Furthermore, due to the old age of the coffee trees over 50 years, coupled with the Coffee Wilt Disease (CWD) and the erratic dry weather conditions, the productivity and quality of coffee have been seriously affected.

The coffee replanting programme is at the hearts **Turn to page 3:**

V.P'S SPEECH AT THE NATIONAL COFFEE FARMERS' CONVENTION CONTINUED:

From page 1: ized this second National Coffee Farmers Convention. This year you have rightly chosen the theme: "Empowering coffee farmers for wealth creation". Among other things, you are going to explore ways and means of enabling coffee farmers to become richer through coffee growing and processing.

SECTORAL PERFORMANCE:

Uganda's economy is still dominated by agriculture which accounts for over 40% of the total GDP and about 60% of the total export earnings. In the last ten

CHALLENGES IN THE SUB-SECTOR:

The coffee sub-sector is beset with a number of problems and challenges which must be addressed as the coffee industry is being rehabilitated.

Today, one half of Uganda's Robusta Coffee Trees (about 160 million trees) have surpassed the economic production age of over 40 years. They are thus too old for good quality coffee.

Coffee Wilt Disease

ues to be erratic and unpredictable to the farmers' disadvantage. Of the 75 billion US\$ earned from coffee worldwide, only US\$ 5 billion is passed on to farmers. US\$ 70 billion is enjoyed by coffee roasters and shop owners in coffee consuming countries.

Uganda has got a very narrow domestic coffee market whereby only 1% of the 3 million bags produced is consumed domestically.

.....allocated 3.6 billion shillings towards payment for coffee seedlings.....

HIV/AIDS directly or indirectly affects this sub-sector since the productive age group (15-45 years) who work on the coffee farm are the most vulnerable to his pandemic. I hope in your deliberations, you will find time to remind members about the "A, B, C" measures in the fight against HIV/AIDS.

GOVERNMENT INTERVENTION:

Given the strategic value of coffee basing on the above factors, government intervention was inevitable so as to address some of the

Turn to page 5:

years (1995-2005) there has been marked fluctuation in Uganda's coffee performance on the world market.

This year however, there will be a 15% increase in the price value of coffee due to ther projected rise in the international coffee prices.

(CWD) has in the last ten years affected about 45% of Uganda's Robusta coffee. This is partly a result of poor farming practices.

The World coffee market contin-

Year	Tonnage	Income (US\$)	Tone (US\$)	Kg (US\$)
1995	181.465	384.122.000	2117	2.0
1999	236.245	287.958.000	1219	1.2
1 st ¾; 2004/5	90.000	90.000	1000	1.0

CHAIRMAN'S SPEECH CONT'D: COFFEE POLICIES IN THE MARKET ECONOMY

From page 2: of so many coffee farmers and its continuity is critical to creating wealth in the rural communities. However, this programme has also led to serious losses to both the nursery operators who invested in the multiplication of the coffee seedlings. Farmers' property has been confiscated because of delayed payment. The awareness created, raised a lot of interest among farmers both in traditional coffee growing districts and those in non-traditional coffee growing districts. To this end, farmers dug holes which remained unplanted. We have not yet received information whether the coffee replanting programme has stopped indefinitely or it is still continuing. According to the situation at farm level, it is likely that if we do not continue with the replanting programme, there will be a substantial decline in coffee production and poverty will deepen in rural areas.

The uncoordinated efforts by various stakeholders in the coffee sector have led to confusion among the coffee farmers. Government, the private Sector Players and donor projects are all approaching the farmers differently with different messages and this has led to time wasting to the farmers without achieving anything meaningful for them.

(By: Mr. Jack L. Bigirwa. Chairman Board of Directors NUCAFE)

Liberalization of Coffee Sector in Uganda

The Uganda coffee sub sector saw the emergence of liberalization in 1990's. Before the liberalization coffee marketing was controlled by Government. The main players were the Uganda Coffee Marketing Board and the Cooperative Movement. Under this arrangement farmers produced with predictable prices although their earnings were only 20% of the international prices.

The wave of liberalization of the coffee sector in Uganda created tremendous challenges and opportunities for the sector. The main challenge was that the process of liberalization was hurriedly done and sent shock waves among the small holder farmers who were totally unprepared to take over the roles previously played by the Government the Parastatals and the Cooperatives. This was the beginning of the future challenges to the small holder coffee farmers which still affects the whole sub sector. Due to unnecessary competition for the coffee with no attention to quality, the coffee quality and price drastically de-

....the financial position of call for strategic smart partnership along the entire coffee commodity chain to ensure a WIN - WIN for all...

clined at farm gate level. Faced with massive overproduction, price collapse, overall fall in quality of coffee, and shortage of good quality coffee and growing inequality resulted into poor coffee producing countries capture of only 10% of the market shared compared of 30% of the value of the coffee market ten years ago. This is a very sharp decline that translates into big problems for poor producing countries because it means that:

- 25 million poor farmer families will go hungry with nothing to eat.
- No medicine or health care or children out of schools etc.
- Poor government are left with less money for health, education and debt repayment.

Despite these challenges however, liberalization brought about opportunities such as prompt payment to the farmers who received up to 70% of the Export Price. It also ushered in private sector organizations to fill in the gap in the areas of production, processing and marketing roles previous played by the Cooperatives and Parastatals. This however lacked coordination and planning to benefit the farmer.

The overall challenge was that the small coffee farmers remained totally confused and disorganized as they did not know exactly what roles they should play in a new liberalized market environment.

How Did Uganda Coffee Farmers respond to these challenges?

With the emerging challenges in liberalization of the coffee sector farmers realised the need to organize themselves so as to assume as many roles as possible along the supply coffee chain in order to keep in pace with market and consumer demands.

NUCAFE takes the lead.....

NUCAFE (National Union of Coffee Agribusinesses and Farm Enterprises) which is a coffee farmer organization in Uganda carried took a lead and carried out a strategic planning

Turn to page 9:

COMING TO YOU SOON IN OUR NEXT ISSUE:

The partnership between NUCAFE and CORI on Coffee Wilt Disease Sanitary and Phyto-Sanitary control practices, in order to curb the wide spread of the disease....

Experiences of NUCAFE Business Managers in the field.....

Stories of Coffee Farmers before and after NUCAFE intervention.....

More Coffee farmers' stories..... Check out the Launch of Uganda gifted by Nature.....

Current coffee prices:

Robusta Kiboko

700 - 900 UgX

Robusta F.A.Q

1700 - 1800 UgX

Arabica:

2500 - 2800 UgX

BITTER OR BETTER FUTURE FOR COFFEE PRODUCERS



Coffee farmers ready to market their coffee

The coffee market is over-supplied. With the price of coffee at its lowest in a century, there will be winners and losers in the fierce competition for exports. Getting producers to “add value” to coffee and earn more revenue is a commonly proposed solution. However, this proposal is complex and, for many producers, unrealistic. The collapse of world coffee prices is causing many exporting countries to suffer their worst economic crisis in years. How did this happen to one of the world’s largest commodities? The over-supply of coffee is due to several factors: rapid expansion of production

in Viet Nam; new plantations in Brazil; higher yields; increased efficiency; and incentives to expand production, such as the liberalization of markets in the 1990s, which led to an increase in coffee farmers’ share of the export price. To

years.

Product quality, production costs and relations with international partners have been coffee trade parameters for years. After more than three years of over-supply and low prices, however, competition has sharpened. For many producers and exporters, survival in the industry depends entirely on complying with market demands for even higher quality; consistency (same quality for repeat deliveries); traceability of origin; transparency (economic, social and environmental); ability to tailor delivery on demand; and capacity for long-term partnerships directly between producer and roaster. Politicians, advocacy groups, and non-governmental and international organizations are grappling with potential solutions. Unfortunately, many of them come as bitter news to already-desperate producers and their families.

this, add what one could call “under demand”. Analysts often concentrate on over-supply and overlook the effects of emerging market trends and new technologies in the international supply and demand debate. What also tends to be forgotten is that coffee is not a uniform product: arabica coffee is fine-flavoured, aromatic and usually fetches the highest prices, whereas robusta coffee is normally a cheaper product that is easier to produce. The market share of robusta has grown significantly in the last ten

.....Analysts often concentrate on over-supply and overlook the effects of emerging market

Some will be able to capitalize on specialty coffee trends and industry campaigns to promote consumption in new markets. Many, however, will need to diversify, and policy-makers need to plan for this.

ENCOURAGING COFFEE FARMERS TO GROW MORE QUALITY COFFEE AND PICK INTEREST IN COFFEE FARMING A BUSINESS



Mr. Buule Ronald . Chairman Nsangi Coffee Farmers Association on one of the functions organized by NUCAFE

Economically coffee is the second earning item in the world, and by doing so it provides employment to a lot of people who are

involved in the business.

In Uganda, farmers should wake up and fight for quality production because this is a major key for a good market and will be done better by being united to form associations as farmers.

Unity has started in some areas to mention but a few: In Masaka District; Kabonera CFA, Kibinge CFA,

.....coffee farmer s should double the earnings from coffee business.....

in Wakiso District; Nsangi CFA, in Mpigi District; Buwama CFA covering also Bunjako Island, all these associations are under the NUCAFE programme and so far there over 100 Associations all over the country and more are still coming up.

Coffee is a crop which can rescue, a

V.P'S SPEECH AT COFFEE FARMERS' CONVENTION CONTINUED:

From page 2: above problems and to rejuvenate the coffee industry. Government intervention has so far taken various forms;

In 1991, the coffee sub-sector was liberalized to enable the farmers get better prices per kilogram of coffee on the international market. Today our farmers get about 70% of the Export Price per Kg of coffee on the international market.

More focus is now put on generic promotion especially in partner countries such as Egypt, Denmark and China.

Intensification of combating the Coffee Wilt Disease (CWD) through burning the affected trees and introducing resistant coffee varieties.

Replacing old age coffee trees through consolidating nursery capacity and output of seedlings per year. 6 million plantlets shall be distributed and planted in 2005/06. Government has this financial year allocated 3.6 billion shillings towards payment for coffee seedlings which are distributed by Ministry of Agriculture, Animal Industries and Fisheries.

WAY FORWARD:

For the coffee farmer, coffee growing is not a cash crop of yesterday but

a strategic source in income today. If well looked after, coffee is a paying enterprise. If for example a farmer owns;

2 acres of coffee
 = 900 coffee trees
 1 tree gives 5kg of Kiboko
 = 4.500 kg
 Current price of Kiboko, 800/= =
 3.600.000/=
 Minus about 30% production costs
 =1.080.00/=
 Income from 2 acres
 =2.520.000/=
 Annual income from 2 acres (2 seasons)
 =5.040.000/=

With this income, many a coffee farmer is destined to have a lot to smile about every year. This is a perennial crop which can survive for up to four decades. If it is supplemented with Upland rice growing, Cattle zero grazing etc. the lives of our rural poor shall be transformed in a very short time.

Ladies and Gentlemen, today, only 25% of Uganda's available arable land

is put to good use. 13 million hectares of our good land is misused or unused. Also, the future of coffee consumption/coffee demand on the international market is still very healthy. I therefore appeal to you, especially you who are stakeholders in the coffee sub-sector to:

Mobilise more farmers to grow more coffee which will boost the declining volumes of coffee in this country.

Ensure production of high quality coffee in order to compete favourably on both the domestic and international markets.

Encourage private investors into coffee production and processing.

Join the government in ensuring implementation of development programmes including coffee growing and industrialization of this sub-sector.

All of you attending this convention have a stake in coffee growing, processing and marketing. You have come together to share ideas and map out the best way of keeping this sub-sector active and successful. I trust that you will live up to everyone's expectations. We are looking forward to have a vibrant, well managed and run coffee industry after this Convention. I with you fruitful deliberations.

It is now my pleasure to declare this convention opened.

(@ NUCAFE 2005 FILE)

....you attending this convention have a stake in coffee growing, processing and marketing....

COFFEE FARMING A BUSINESS CONTINUED:

farmer from poverty, but should be put number one crop in mind of a farmer to defeat poverty. As a farmer please remember to sell FAQ instead of Kiboko. Time has come for a coffee farmer to understand that coffee farming business is historical, permanent and future promising, where now a farmer - good coffee farmers for a permanent coffee industry in Uganda.

A smart coffee farmer should double the earnings in coffee business, by intercropping, husbandry this reduces the expenses of food security, and fertilizers and also contributions to

a healthy growth as a family.

A farmer should therefore not neglect, inter-cropping and husbandry or livestock in modern coffee business to have successful coffee industry. The farmer will need some settlement, good cultivation measures and proper thinking before starting a business.

By: Mr. Buule Ronald . Chairman Nsangi Coffee Farmers Association.

One of the Newest Member Associations of NUCAFE.

WATCH THIS SPACE FOR THE LAUNCH OF THE OFFICIAL WEBSITE OF UGANDA GIFTED BY NATURE



A WORD FROM THE EXECUTIVE DIRECTOR CONTINUED:

From page 1: a lot of success has been registered both in growth terms of the organisation and change of delivery of services to farmers. Actually as a result of intensified activity by NUCAFE farmers who engaged themselves in marketing value-added coffee has registered over 200% household income increment.

The rise in the price noted in October continued during the month of November. However, the most notable feature of the market situation in November was the improvement in Robusta prices reflecting uncertainties concerning the availability of this variety. The importance of the increasing consumption in producing countries recently urged by the International Coffee Organisation (I.C.O) is something that must be considered in NUCAFE membership and Uganda as a whole.

Robustas recorded the sharpest rise in prices during the month of November, reflecting the situation of unavailability of coffees Vietnamese origin as a result of difficulties relating to harvesting operations.

Factors relating to supply seem to be supporting the current trend in prices for exporting countries could record a world production figure of 108 million bags while demand is well about around 115 million bags. On 9th December Brazil issued a new coffee crop estimate for 2006/07 between 40.43 and

Annual Exports 2003 – 2005			
	2003/04	2004/05	2005*
Africa	11784	11723	9095
Cameroon	814	734	619
Cote d'Ivoire	2647	2573	1555
Ethiopia	2229	2491	2239
Kenya	920	754	583
Tanzania	883	553	599
Uganda	2522	2627	2006
Others	1769	1992	1494
in million bags *January to October			

....Robustas recorded the sharpest rise in prices.....

....a world production figure of 108 million bags while demand is well about around 115 million bags....

43.58 million Bags, with a downward revision for the 2005/06 crop from 33.30 to 32.94 million Bags. Coffee production is also set to increase in 2006/07 in Vietnam. The current 2005/06 estimate can be maintained while looking at the 2006/07 to a global production within an appropriate range of 118 and 122 million bags. At this stage it should be seen as an initial estimate and indicates, with global consumption it is likely to exceed 118 million bags a small surplus.

Exports for the month of October totaled 6.16 million bags compared to 6.88 million bags in October 2004. the total volume of exports for the twelve-month period November 2005 – October 2005 was 99.4 million bags representing a slight fall of 0.78% compared to the preceding twelve-month period when the figure was 89.14 million bags.

Stocks of green coffees in importing countries including free ports, estimated at 21.5 million bags at the end of October 2005, could be further reduced as a result of the slowing down of exports consequent upon logistic problems in counties recently affected by floods and delays in harvesting.

**BY: JOSEPH NKANDU
EXECUTIVE DIRECTOR**

Exports 2003/04 and 2004/05 (November – October)			
	2003/04	2004/05	%Variation
Africa	11.55	10.81	-6.41
Cameroon	0.80	0.67	-16.52
Cote d'Ivoire	2.51	1.98	-21.05
Ethiopia	2.37	2.53	6.72
Kenya	0.80	0.67	-16.08
Tanzania	0.55	0.74	35.18
Uganda	2.58	2.42	-5.85
Others	1.94	1.79	-7.87
In million bags			

UGANDAN COFFEE: DOLLARS IN THE MAKING



Gulu district coffee co-ordinator, Winnie Oyela and a worker at a nursery bed

In one huge voice, over 1,500 coffee farmers from all parts of Uganda have vowed to decide the fate of the coffee industry. The farmers from 14 major coffee growing districts were attending the second National Coffee Farmers' Convention held at the Namboole National Stadium, organised by the National Union of Coffee Agribusiness and Farm Enterprises (NUCAFE), in col-

.....a mentality among coffee farmers that all they needed to do was produce, take their produce to a store and be given a price.....

laboration with Uganda Coffee Development Authority (UCDA). "We are tired of opportunistic, market-minded businessmen who exploit us," Jack Bigirwa, Chairman NUCAFE said. "This must stop now," he added, as the farmers stamped and clapped in the affirmative.

NUCAFE has 102 coffee farmers' associations at sub-county level, spread over five main coffee-growing regions of Uganda. To help farmers decide the fate of their coffee, NUCAFE has embarked on a programme to help rural farmers earn more from their coffee sales through adding value and accessing markets personally. "We are tired of being price-takers. We

want to create and manage our own prices," Bigirwa told the convention. The exporter is heaving with wealth, while the grassroot coffee farmer is wallowing in poverty because the poor farmer has never been given a chance to own his coffee, market it and regulate its prices.

The middlemen buy coffee beans at a low price without considering the problems that farmers face. This is a mentality that was left over by the colonial government over 40 years ago. They created a mentality among coffee farmers that all they needed to do was produce, take their produce to a store and be given a price that they did not set or have control over. "Over 20,000 coffee farmers have been sensitised on the programme objectives in the first six districts, of which over 500 farmers groups of an average of 30 members are working on registration of the groups," Bigirwa said. Already, the programme is bearing fruit. Five tones of coffee from smallscale farmers from Bunjakko Island in Buwama sub-county have sold their coffee directly to exporters. "Before they decided to sell directly to exporters, they were selling a kilo at sh300 to middle men. However, they sold a kilo at sh2,000," Bigirwa said.

NUCAFE expects to have empowered coffee farmers to sell at least 20,000 tonnes of coffee by the end of the year. "It is good that we are being helped to get better earnings from our produce," observed Steven Matovu from Masaka. Such measures are welcome in a somewhat deteriorating coffee industry. Uganda's coffee exports deteriorated from 4.2 million bags in 1996/97 to only 2.6 million bags in 2003/04.

Bigirwa also encouraged the farmers to grow other crops besides coffee saying this would widen their income from agriculture produce. The function was attended by representatives from NAADS, UCDA and the Private Sector Foundation.

By Joshua Kato and Juliet Waiswa

(Newvision Publications—
Published on: Wednesday, 17th
August, 2005)

UGANDA COFFEE ORGANIC BY DEFAULT

Organic coffee farming is one of the new production methods that are giving farmers a premium over the price offered in the conventional market(s). A survey was carried out during each of the four sensitization workshops carried out in 2004 by Uganda Coffee Development Authority (UCDA), Department For International Development of UK (DFID) and Export Promotion of Organic Products from Africa (EPOPA) in Luweero, Bushenyi, Kapchorwa and Nebbi districts where organic coffee production has already taken root. Later on, another four districts of Rakai, Kyenjojo and Kamuli (Robusta) and Sironko (Arabica) that had not adopted organic coffee farming were also sensitized. The major objective of the survey was to assess the current production methods used by coffee producers who were attending the workshops and ascertain whether there were critical barriers, which prevented them from adopting organic methods of production.

It was found that there is a direct relationship between organic farming and livestock since the latter provides cow dung, urine and litter, which give high yields to the coffee due to the organic nature of composite manure. Livestock can also provide draught power. Draught power is economically viable, socially acceptable and environmentally friendly as opposed to agro-chemicals in weed and soil management and therefore more sustainable. A big proportion of farmers actually keep livestock (87.8%), this cuts across all districts. This is one of the key ingredients of effective organic coffee production. Kapchorwa had the highest proportion of farmers who own livestock (97.7%). It is recommended that for organic to be sustainable, livestock should be integrated.

The majority of farmers use cow dung, urine and litter for soil fertility and mulch in the control of weeds and moisture in the soil. Cultural means such as smoke and crop cover are used in the control of pests and diseases, thus increasing yields.

Several trainings on organic farming have been offered by DFID/UCDA

THE SECOND COFFEE FARMERS CONVENTION IN PICTURES



Mr. Dan Musoke, Chairman Kalagala C.F.A

Mr. H. Ngabirano M. D. U.C.D.A arriving...



Coffee Farmers pausing for a photo.



Even the young ones were not left...



Coffee Farmers arriving at Namboole Stadium



Dr. J. Ogwang Director CORI attended



Ladies Clad in Colourful Busuuti lining up...



Hon Kuka, Deputy Private Secretary to the President of Uganda. H. E. Yoweri K. Museveni



Ssalongo J. Katarikaawe, Chairman Rukunigiri Coffee Farmers Association



The Deputy R.D.C graced the occasion.



Mr. Muligi Ntambi led the team from Buwama



Happy Smiling Faces of Children From Nanziga S. D. A Primary School sung a Coffee Song to the Delegates present

THE SECOND COFFEE FARMERS CONVENTION IN PICTURES CONTINUED:



It's a Whole generation involved in coffee bizz.



The seats weren't enough for the Busuuti Ladies



Busuuti or Kitenge all were Beautiful



Colourful Busuuti were the order of the day



Even in Shariah, beauty was paramount



Comrades from Nsangi C. F. A led by Mr. Buule



Bellow; are Some of the Board Members pre-



Hall: North Eastern Section



South Eastern Section of the Hall filled to capacity



South Western Section of the Hall filled to capacity



Some of the farmers who had arrived at Namboole National Stadium filling in registration forms

THE SECOND COFFEE FARMERS CONVENTION IN PICTURES CONTINUED:

Mouth watering meals, served for total satisfaction



The Buffet Variety included, traditional, continental



D.C.C Wakiso Mrs. L. Luseesa (left) with a Nursery Operator

Food Delivery points were all over



No one could resist the Mouth Watering Dishes



Another View of Coffee farmers Lining up.



Even the Senior citizens had something to contribute.

Omukyala atuula bulungi ng'alya ekijjulo



It was Love for Coffee that brought Old



NUCAFE staff members and well wishers facilitated the smooth flow of the National Coffee Farmers Convention



E.D Mr. J. Nkandu, Mr. Buule R. Chairperson Nsangi C.F.A with a Colleague in a Dialogue



Mr. F. Gaanya Chairperson Kabonera C.F.A and Mr. Sam Mpiimbe

COFFEE POLICIES IN THE MARKET ECONOMY CONTINUED:

From page 3: and needs assessment survey among small holder coffee farmers to appreciate their needs, challenges and opportunities in the coffee sector.

The study revealed that small holder coffee farmers could better be positioned and become competitive when organized into meaningful producer groups at farm level.

Using the Farmer group-Association model, NUCAFE has organized farmers into producer groups and Marketing Associations. By doing this NUCAFE aims at empowering coffee farmers to produce, process and market coffee of known quality, volume and value at a negotiated price. It also effectively empower the farmer maximize on the benefits associated with market liberalization economy policies. NUCAFE adopted a farmer driven approach to build confidence and ownership among farmers themselves.

This NUCAFE model is guided by the following principles:

Farmer must own their coffee – own their structure which govern them – and own programs that sustainable coffee production.

Maximum value addition along the chain while maintaining high quality of the coffee product and the service provided along.

Reward for performance which entails that each actor in the chain is rewarded for effort (Value for money).

Negotiate for price with known coffee quality, volume and value.

All actors in the coffee chain are winners (Sustainable Coffee For All- SCFA)

Holistic approach using coffee as an entry point to develop other enterprises (cash and food crops) for sustainable livelihood

What policies do we then recommend helping small coffee producers in the future to ensure a more sustainable coffee economy?

The price of a cup of coffee paid by consumer in London, Paris or New York has never come down yet the smallholder

farmer continue to receive chicken feed for their coffee. We therefore recommend policies that aim at narrowing the gap between producers and consumers that aim to promote mainstream certified coffees. This will believe will create traceability, price transparency and make coffee trade fair.

Most of programs and interventions in the coffee sector are more government, institutional oriented which takes time for these programs to filter through to the intended beneficiaries. Policies that will be holistic in nature involving all the stakeholders from production to market that are private sector led will produce better and meaningful results. This we believe is the way forward.

Harmonized programs and projects related to the development of the coffee sector at both local and international levels will lead to a better coordination, efficiency, avoid duplication, confusion and wastage of resources. We therefore call for strategic smart partnership along the entire coffee commodity chain to ensure a WIN-WIN for all.

Deliberate and well calculated policies that are geared towards domestic consumption ensure increased production and price sustainability. We encourage more support from the coffee industry towards the initiative started by ICO in this endeavour.

Tariff barriers which inhibit market access continue to be a big problem. In order to narrow the GAP between the coffee producer and consuming countries, producers need to add as much value as possible to their coffee to access markets and sell finished product to the consumer market. We therefore recommend removal of these trade barriers and restrictions so that even small producers liker Uganda could market processed coffee to the consumers. This will create a fundamental change for sustainable production among smallholder coffee producers.

(©NUCAFE 2005 FILE)

UGANDA COFFEE ORGANIC BY DEFAULT (CONTINUED)

From page 3: country wide, where Kapchorwa district reported the highest proportion. Other Non Governmental Organizations (NGO's) such as Kawacom, Ibero and CARITAS (a Catholic Church organization) have provided training to the farmers and are very instrumental in providing the needed training on organic coffee production. Training of farmers should be intensified stressing the benefits that accrue from organic farming: economic, social and environmental.

Several factors have continuously hindered farmers from engaging in organic coffee production. These were ranked beginning with what the farmer considered the most important. constraints were: Inadequate Land; Pests and Diseases; Coffee Wilt Disease; Inadequate Training in Organic Coffee; Inadequate Extension Services; Lack of inputs/ implements; Lack of Credit Facility; and Infertile Soils. The four most important constraints were Coffee Wilt Disease, pests and diseases; inadequate land; and inadequate training in organic and cut across all the districts. However, some factors encouraged farmers to engage in organic coffee production. Such factors included: Higher Prices of Organic Coffee compared to conventional coffee; Good Market for Organic Coffee; Few Farmers growing Organic Coffee; High Quality of Coffee to be produced; Use of Cow dung and Litter. Higher prices and a good market for organic coffee are incentives for quick adoption of organic farming and arrangements should be made to ensure that markets for organic coffee are explored. Farmers are willing to engage in organic coffee farming so long as the prices are attractive and there is a ready market. Farmers do respond to market signals and policy in their investment decisions.

Farmers are enthusiastic in engaging in organic coffee production and if the identified constraints are addressed, including certification costs, its production will increase with the resultant effect being improved household incomes and a reduction in rural poverty in tandem with the millennium development goals (MDGs).

BY: James Kizito-Mayanja, UCDA

.....smart partnership along the entire coffee commodity chain to ensure a WIN-WIN for all....

MARKETING OF BUNJAKO ISLAND SPECIALTY COFFEES

THE OPINION OF COFFEE FARMERS IN BUNJAKKO ISLAND ON LAKE VICTORIA:

Bunjakko Island is along the equator in Mpigi District, Buwama Sub-county. The island is 30 square miles with a total population of 6000 persons. This island on Lake Victoria has got several trading centres which include Buzami, Bugoma and Ssenyondo being the main town on the island, located on the southern side of the island also doubling as fish landing site.

The main occupational activity on the island is agriculture, where coffee farming is the second income generating activity after fishing. The farmers on this Island grow mainly traditional Robusta Coffees intercropped with high canopy trees a habitat of many species of migratory birds and several wild animals especially monkeys of the varieties that include Colobus, Black, Grey, and Brown Backed monkeys and several other wild animals.

Bunjakko Coffee farmers under their association, Buwama Coffee Farmers Association have been mobilised, trained by the NUCAFE Quality Improvement Programme from pre/harvest, post handling and marketing



(Mr. Herment Mrema. Senior Business Manager talking to a group of farmers in Bunjako Island during one of the training sessions, Left in white shirt, Mr. Nganda Peter Business Manager/Quality Field Representative)

of their coffees for a better price. This part of the programme was directly trained by Mr. Joseph Nkandu (Executive Director), Mr. Mrema Herment (Senior Business Manager), Mr. Nganda Peter (Business Manager/Quality Field Representative) and Mr. Muligi Ntambi (Chairperson Buwama Coffee Farmers Association also Board Member NUCAFE).

Before this programme the farmers had



(A group of farmers after marketing of their coffees, chanting the NUCAFE slogan, "NUCAFE HOPE-HOPE NUCAFE".)

.....Quality Improvement Programme to pre/harvest, post handling and marketing of coffees....

been selling a Kilogram of Kiboko at Two Hundred and Fifty Uganda Shillings only (250/= UgX) but after getting the training module, the farmers bulked their coffee and sold 1.2 tonnes (1200Kgs) of FAQ at Two Thousand Uganda Shillings (2000/= UgX) to Kyagalanyi Coffee Limited a member of Volcafe group.

The few farmers who had accepted to bulk their coffee enjoyed the rewarding benefits of their work, thereafter several other members have joined the association and have mobilised

more Five (5) tonnes of FAQ ready for marketing

Like their counterparts on the mainland the farmers also face several other problems which include:-

- Coffee Wilt Disease
- Pest and Diseases
- The pests are the major threat that cause a recognisable reduction in coffee production and these include bats and monkeys that feed on the ripe cherries
- Low prices
- Low productive trees
- Middle men who come with their tampered weighing scales
- Lack of group/association formation

However, all this is bound to change, with the ongoing NUCAFE quality improvement programme, the farmers have been holistically trained to improve their produce and production methods to enable them have a better bargain.

By: Editorial

NUCAFE STAFF GETS “NKG COFFEE DIPLOMA”



Mr. David Muwonge (centre), holding his Coffee Diploma Certificate, Mr. M. Neumann (left), and Dr. Kerker (right) from InWEnt

In delivering the best services to the coffee farmers, NUCAFE believes in having a professional team of staff which is vital in empowering the coffee farmers. Only a professional team with commitment, having Knowledge and skills can empower the farmers to improve their coffee quality, add value and own their coffee to a level in the market chain at which they can obtain a fair price.

A professional team can only be made through building capacity of the dedicated NUCAFE staff. Therefore when Mr. Muwonge David was chosen by the leading coffee service group in the world- NEUMANN KAFFEE GRUPPE, as the only Ugandan Participant in the 18 months coffee diploma, it was a pleasure for NUCAFE, its member associations and all the coffee farmers of Uganda.

A great opportunity, a partnership of the leading coffee service group with the Ugandan coffee farmers, the first hands on practical international coffee training of its kind, the coffee diploma was an experience like no other before in the world coffee industry. The NKG coffee diploma was an idea conceived by Mr. Michael R. Neumann, the chairman Supervisory Board of Neumann Gruppe GmbH.

The NKG coffee Diploma program was an international training initiative for 19 young professionals from coffee producing countries. The 18

months program (May 01, 2004 to October 31, 2005) included practical hands on training as well as theoretical modules in selected operative companies of Neumann Kaffee Gruppe in exporting and importing countries. Neumann Kaffee Gruppe is the world's leading green coffee service Group with 43 companies in 25 countries.

The NKG coffee diploma was initiated as apart of the Company's NKG partnership for sustainability initiative and was supported by the Germany Government through InWEnt gGmbH (International capacity Building).

...NKG is the world's leading green coffee service Group

Mr. David Muwonge, the Ugandan participant in the program had hands on coffee training from “the seed to the cup” covering all aspects of the coffee value chain to an international level.

He trained as follows,

- May 01, 2004 to October 2004- on job training with coffee exporting companies Ibero (Kenya) Limited, City coffee (Tanzania) Limited, Mazao (Tanzania) Limited, Ibero (Uganda) Limited and coffee farming companies- Tropical farm management (Kenya) Limited, Kaweri coffee plantation (Uganda) Limited.
- November 2004 to April 2005 – On job training with coffee exporting company- Exportadora de café California S.A. de CV, Veracruz Mexico and coffee farm Finca puebla. This gave him a good insight and opportunity to compare the East-African coffee industry with the Central American coffee

Industry.

- May 01, 2005 to October 2005- on Job Training in coffee importing companies InterAmerican coffee company Inc, Houston Texas, USA and Rocorp Corporation, White Plains New York, USA. Were he learnt about the importing, roasting and consumption of coffee in the United States Market. He graduated after a further three weeks intensive final training with the other 18 trainees on the 25th October 2005, in the former Hamburg coffee Exchange house, Germany.

On behalf of the Ugandan coffee farmers, we are very grateful to the Neumann Gruppe GmbH for this training and partnership with the Ugandan coffee farmers.

We believe Mr. Muwonge David will use the knowledge and skills he got for the empowerment of coffee



Mr. David Muwonge (2nd Left) with other 18 participants from several counties with Mr. M. R. NEUMANN.

farmers, creating partnerships with other coffee sector participants for a win-win situation, to the benefit of the Ugandan Coffee Sector and the world coffee industry.

Congratulations Mr. Muwonge David, we wish you a successful specialized career in the coffee carrier in NUCAFE

By Joseph Nkandu

Executive director NUCAFE

We are on the web:
www.ugandacoffee.org/nucafe
www.avban.org/associations/nucafe2

**NATIONAL UNION OF COFFEE
AGRIBUSINESSES AND FARM
ENTERPRISES (NUCAFE)**

Plot 32 Jinja Rd
Suite 2.7 Second Floor
Coffee House
P. O. Box 7267 Kampala (NUCAFE)
Phone: +256-41-236199
Mobile:+256-77-595030
Fax: +256-41-345252
E-mail: nucafe@ugandacoffee.org



NUCAFE

**FOR SUSTAINABLE QUALITY
AND COMMERCIALISATION
THROUGH FARMERS'
ORGANISATIONS
DEVELOPMENT**

LEADERS URGE FAIR SHARE FOR POOR COFFEE FARMERS

SALVADOR, Brazil, Sept. 24 (Reuters) - The presidents of Brazil and Colombia, two of the world's top coffee producers, called on Saturday for poor farmers to get a fair share of the \$90 billion coffee market which is mostly pocketed by rich consumer countries.

Coffee is the world's second biggest commodity market after oil and is produced in more than 60 African, Asian and South American countries, including many of the world's poorest who depend on the bean for up to 60 percent of their export earnings.

Some 25 million farmers, who try to earn a living from coffee, are struggling to emerge from a five-years price crisis caused by global coffee glut triggered by overplanting after prices soared in the mid-1990s following a severe frost in No.1 producer Brazil.

"Coffee is an instrument to fight hunger and poverty and create a fairer world," Brazilian President Luiz Inacio Lula da Silva said at the opening of the second World Coffee Conference in the northeastern city of Salvador.

Speaking to some 1,000 coffee growers, roasters, exporters and policy makers, Lula said 70 percent of the world's coffee is grown by small farmers who receive a small and shrinking share of the global coffee cake. They now get around \$9 billion a year, or 10 percent of world coffee revenue, against \$10 billion, or 30 percent 10 years ago.

During two days of discussions, world coffee producers and consumers will try to map a strategy to sustain growth of the world market and



A typical Coffee farmer. At sub county meetings coffee farmers are characterized by the old bicycles that show up at the sub-county headquarters.

(NUCAFE file photo)

...the major threat to the small producer... is the delay in making due payment

avoid the ruinous boom-bust cycles of the past.

"Coffee helps provide social stability in Colombia where 90 percent of growers have less than 12 hectares of land," Colombian President Alvaro Uribe told the meeting.

FLOOR PRICE

He urged all sectors of the coffee industry to work together to ensure a world floor price of \$1 a pound. Benchmark New York arabica futures closed on Friday at 91.50 cents a pound, down 0.80 cents from the previous session.

Although prices have partially recovered since late last year, peaking near \$1.50 a pound in March from 30-year lows of around 40 cents a pound in 2001, they have slumped again on speculative fund selling and expectations of a massive Brazilian crop next year.

The executive director of the London-based International Coffee Organization, Nestor Osorio, said global efforts to fight poverty would be more effective if coffee farmers received a fair price for their crop.

"It's not a question of market intervention, but guaranteeing that farmers receive an appropriate remuneration," Osorio, a Colombian, told the conference.

Brazil's Agriculture Minister Roberto Rodrigues said coffee prices are still historically low and many coffee growers can't get credit because they are saddled with debt incurred during the five-years price depression. But he said there was light at the end of the tunnel if producers improved coffee quality and worked with consumers to stimulate global demand.

"Prospects are good for the coffee world," he said, noting a forecast 25 million bags growth in global demand in the next 10 years, a production shortfall of 5 million bags this year and falling stocks. "Brazilian carry-over (stocks) in May 2006 will be the lowest for decades," he said.

REUTERS

By Marcelo Teixeira, Reuters

***TO ADVERTISE IN THIS NEWS LETTER CONTACT US ON
OUR EMAIL ADDRESS (NUCAFE@UGANDACOFFEE.ORG)***