

# The Coffee Farmer

NUCAFE NEWS LETTER VOLUME 08/03, ISSUE 14 JULY - SEPT 2008

National Union of Coffee  
Agribusinesses and Farm  
Enterprises (NUCAFE)



(The Coffee Farmers Association of Uganda)

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## ABOUT NUCAFE

### NUCAFE's Vision:

- Coffee Farmers profitably own their coffee along the value chain.

### NUCAFE's Mission:

- To establish a sustainable farmer owned and operated organization for the benefit of the members.

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## THE UNCFCE SPECIAL



The Right Honourable Prime Minister, Professor Apollo Nsubiri, greets the crowd of coffee farmers and stakeholders. (Behind him) Mr. Henry Ngabirano M.D - U.C.D.A, as Hon Gerald Ssendaula, Chairman - NUCAFE looks on.

### SPEECH BY THE RIGHT HONOURABLE PRIME MINISTER OF THE REPUBLIC OF UGANDA ON THE OCCASION OF THE 3<sup>RD</sup> NATIONAL COFFEE FARMERS' CONVENTION AND EXHIBITION (UNCFCE) , 30<sup>TH</sup> JULY 2008 AT MANDELA NATIONAL

Honorable Ministers, Honorable Members of Parliament, Your Excellencies the Ambassadors, Permanent Secretaries, Chairman and the entire Board of National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE), Coffee farmers, Invited Guests

Ladies and Gentlemen It gives me much pleasure to be invited to a forum that has brought farmers and other stakeholders that deal with a commodity that has a great historical importance to Uganda. Uganda has been a producer of coffee for a long time. Uganda is known as the centre of diversity for robusta coffee but we also produce Arabica coffee which is believed to have come from Ethiopia. In other words, robusta coffee is a native crop for Uganda.

## Editorial

On 30<sup>th</sup> July 2008 1000s of farmers from Uganda and abroad gathered at Mandela National Stadium in Kampala to attend the 3<sup>rd</sup> National Coffee Farmers Convention organized by NUCAFE.

The function drew a record of 3,225 from 32 districts and these included coffee traders, processors, exporters, roasters, agro-input dealers, policy makers, local leaders and other visitors some of whom came from as far as USA, UK and Belgium.

This year's convention was sponsored by ASPS DANIDA, Kyagalanyi Coffee Limited, NAADS, UCDA, Bank of Uganda among others, such conventions are very beneficial to farmers as they give an opportunity for them to know the global coffee situation and also take stock of achievements made and challenges encountered.

The occasion was officiated by Right Honorable Prime Minister of Uganda, Professor Apollo Nsubiri.

Readers are welcome to contribute. Please send your comments and articles to;

[nucafe@nucafe.org/](mailto:nucafe@nucafe.org/) [nucafe@africaonline.co.ug](mailto:nucafe@africaonline.co.ug)

## THE RGT. HON. PRIME MINISTER PROF. APOLLOS' SPEECH

Before coffee marketing was liberalized in 1991, Government through the Coffee Marketing Board (CMB) had the monopoly to buy and export coffee. During that time, Government would fix prices which would be read by the Minister of Finance when making a budget speech. This had its own merits and demerits. The main advantage for fixing prices was that farmers were protected against price fluctuations and they would know the price in advance and prepare themselves for the marketing seasons. However, there were many disadvantages that the farmers' value share of the world market was very small e.g. about 20% by 1990. Furthermore, there was no prompt payment and a farmer could only keep a receipt for over 6 months.

In 1991, the Government fully liberalized the marketing of coffee and then the monopoly of coffee marketing by CMB was abolished. During that time the cooperative movement experienced a shock with competition from individual private coffee buyers who would promptly pay farmers. Over 100 private coffee traders entered coffee marketing and there was improvement in the farmer's value share of the world market. As time went on, the cooperative movement experienced both internal and external management and financial challenges which led to the collapse of the Co-operative Movement that was otherwise responsible for quality enhancement, input distribution, bulk processing and marketing of farmers' produce. Farmers became exposed to the vagaries of international trade and immediately after the coffee boom of 1995/96, prices became volatile. The private local traders also started sliding into receivership because they did not have the necessary instruments to protect themselves against financial shocks.

As Government, we needed to have prepared the farmers and our traders on how best they would guard against

the shocks of liberalization and globalization. To this end, Government established the Uganda Coffee Development Authority (UCDA) with the conviction that it would be able to support farmers to the greatest extent possible. However, this has not been easy and it

**.....otherwise responsible  
for quality enhancement,  
input distribution, bulk  
processing and marketing  
of farmers' produce.....**

is for this reason that the sector is facing serious challenges in its effort to survive. Therefore, with a combination of internal and external factors, farmers have not greatly benefited as had been expected. The effect of all this has been, among other concerns, declining coffee production over the years and hence reduced foreign exchange earnings from coffee. But I am glad to see that even with all the challenges to the coffee sector, farmers have not abandoned this important commodity. I am particularly impressed because you have decided to form NUCAFE which innovatively has come up with the farmer ownership model that is intended to empower coffee farmers to have stake within the coffee value chain.

I have listened very well to all problems that have been articulated by your Chairman and the resulting financial loss in millions of United States Dollars. Government will take immediate action to arrest the challenging situation within the Uganda coffee sector.

On the coffee policy, I wish to advise the Minister of Agriculture, Animal Industry and Fisheries to take charge of developing the policy in partnership

with other Government Ministries especially Ministry of Tourism, Trade and Industry, Government agencies such as National Agricultural Research Organization (NARO), National Agricultural Advisory Services (NAADS), Uganda Coffee Development Authority and the private stakeholders such as NUCAFE and the Uganda Coffee Trade Federation. I wish to emphasize that the policy must take into account the proposals from the private sector on how to effectively address the challenges facing the Coffee sector. The Ministry of Agriculture, Animal Industry and Fisheries should also facilitate this process.

On the regulatory and institutional framework, I wish to advise the concerned Agencies i.e. UCDA, NARO, UNBS through the line Ministry of Agriculture, Animal Industry and Fisheries to review and amend the UCDA statute to incorporate the necessary standards and to bring the coffee research agency under UCDA and to make sure that UCDA is better placed to regulate the entire coffee sector and also provide funding and technical assistance to production, farmer organization and promotion of Uganda coffee within and outside the Country. However, I must add that the coffee stakeholders need to prioritize and guide where funds should be invested while looking at the short, medium and long term strategies necessary to enhance the competitiveness of the Uganda coffee sector. As Government we need to urgently find funding for multiplication of the new resistant varieties for distribution to farmers.

Regarding coffee consumption, it is a good proposal to promote domestic consumption of coffee. Government is in the process of establishing the coffee roasting facility. I wish to see that the coffee farmers have ownership in this facility and this will enhance your farmer ownership model even much more. This is a very important issue

**PM'S SPEECH CONTINUED...**

and I urge the Ministry of Agriculture, Animal Industry and Fisheries and UCDA to take note of that as they facilitate the establishment of this facility.

I wish to commend NUCAFE for coming up with this innovative farmer ownership model and the interest to develop not only the coffee farmers but also the entire coffee sector. I would like to thank Hon. Gerald Ssendaula and the entire Board and Management for organizing such an important forum. I wish to conclude by emphasizing that your initiative has the full support of Government because you are certainly contributing to our programmes namely Prosperity for All.

At this point, I would like to declare this convention officially open and I wish all of you successful deliberations.

**....UCDA statute to incorporate the necessary standards and to bring the coffee research agency under UCDA .....**

*NEXT ISSUE:*

*The challenge of getting certified, the tough road, sacrifices involved in getting certified.....*

*Contracts in the coffee industry; what to consider in terms of quality, shipping, mode of delivery, terms of payment and using intermediaries....*

*Experiences of Business Managers in the past coffee year, their view of challenges and Successes achieved....*

*More coffee prices, And so much more....*

**MASAKA GETS COFFEE NURSERY**

**MICHAEL J SSALI - Masaka**

Built to international standards, the nursery located on the farm of Mr Richard Ssemuusi is expected to prepare over 40,000 seedlings every four months, according to Mr Kakooza.



**Coffee Farmers from Buwunga CFA look, and inspect the equipment that has been delivered by NUCAFE Staff, for use in Nursery establishment and smooth daily operations, (background )The Nursery Shade.**

“NUCAFE has set up two similar nurseries in Kapchorwa and Bushenyi districts,” Mr. Kakooza said. “Nucafe has taken the initiative to make its own coffee nurseries to safeguard robusta’s quality.”

Coffee farmers in Masaka District can now purchase safe, disease-resistant seedlings after the National Union of Coffee Agri-business Farmers Enterprises (NUCAFE ) set up a nursery bed at Bulenge in Buwunga Sub-county.

Hassan Kakooza, the company business manager, told the Daily Monitor on Tuesday that the nursery would also provide robusta coffee seedlings to farmers in Rakai, Ssembabule, Kalangala and Kabula districts.

He warned that many people had taken up the coffee nursery business and were distributing wrong cloned breeds, thus eroding quality. Danida, an international development agency, is funding the nursery project.

Explaining the memorandum of understanding signed among Mr Ssemuusi, Buwunga Coffee Farmers Association and Nucafe, Mr Kakooza said, “All the three will share the profits accruing from the nursery bed, but the major objective is to ensure that the farmers access good quality coffee seedlings that are disease resistant.”

Asked if the seedlings will also be resistant to the coffee wilt disease, Mr. Kakooza said that initially the bed will supply the already existing cloned robusta breeds known to have prolonged resistance to the disease and ultimately hand out the actual coffee wilt disease resistant breeds. Bulenge, Kapchorwa and Bushenyi nursery projects will pioneer the distribution.

*COMING TO YOU SOON IN OUR*

**Current coffee prices:**

**Robusta Kiboko**

**1100 - 1500 UgX**

**Robusta F.A.Q**

**2200- 2500 UgX**

**Arabica:**

**2500 - 3000 UgX**

## SPEECH BY THE HONOURABLE BRIGHT RWAMIRAMA MINISTER OF AGRICULTURE, ANIMAL INDUSTRIES AND FISHERIES ON THE OCCASION OF UNCFCE, 30TH JULY, 2008 MANDELA NATIONAL STADIUM

Hon. Rwamirama K. Bright

AG. MINISTER OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES

The Chief Guest, Hon. Prime Minister of Uganda, Professor Apollo Nsubambi, Distinguished Guests, Coffee Farmers, Ladies and Gentlemen

Our Guest of honour, I am extremely happy that you accepted our invitation to grace this occasion, the 3<sup>rd</sup> Convention of coffee farmers, which clearly demonstrates the importance you attach to coffee. This is an occasion when farmers interact with other coffee stakeholders to take stock of what is obtaining in the subsector vis-à-vis the international scene with a view of identifying opportunities. To us as politicians, it is an avenue to get to know what the coffee industry needs.

Secondly, I would like to congratulate you the coffee farmers for the good performance you put up in the just concluded Finance Year – Jul/Jun 2007/08. There was an 18% rise in the volume of export from 2.54 m 60-kilo bags to 3.0 m. This would not have been possible without your effort.

Thirdly, I thank you for turning up in such a big number; this is a clear vote of confidence in the current leadership of NUCAFE. If you remain solid as you are today, I have no doubt whatsoever, that the coffee industry will continue to play its leading role in the economy, and more so towards Bonna Bagaggawale.

Our guest of honour, much of what is happening in the coffee subsector shall be presented in detail in the course of the convention by the technical staff. But allow me to briefly touch on some of the topical issues in the industry:



Hon. Rwairama K. Bright, AG. Min. of Agriculture, Animal Industries and Fisheries, Explains to The Right Hon. Prof. Apollo Nsubambi during the coffee farmers Convention and exhibition held at Mandela National stadium

Government attaches a lot of importance to coffee and shall always consider it in the development of agricultural policies. It is an integral component of the Strategic Investment and Development Plan. This, needless to

**.....an 18% rise in the volume of export from 2.54 m 60-kilo bags to 3.0 m.....**

say, is fully in tandem with the theme of this convention: *Coffee is our shared business; together we enhance its sustainability.*

The *Bonna Bagaggawale* programme (Prosperity For All) is being implemented through a number of initiatives developed by UCDA and approved by the Ministry. The response from farm-

ers is promising as indicated by the overwhelming demand for planting materials;

The new NAADS programme has a component on agro-processing; and provision of agro-inputs to farmers, coffee seedling inclusive. The industry has fully embraced these components for improved productivity and competitiveness of the subsector. In addition, under the Public-Private Partnership framework, UCDA works hand in hand with UNADA to ensure availability of certified agro-inputs to farmers; also with the Uganda Export Promotion Board (UEPB) in implementation of the National Export Strategy (NES). 2008-2010.

To address the drop in production and productivity, my Ministry officially launched a Coffee Production Campaign in 2006 through which exportable production is envisaged reach 270,000 tonnes (4.5 m bags) by 2015 up from 120,000 tonnes (2.0 m bags)

**THE AG. MINISTER OF AGRICULTURE, ANIMAL INDUSTRIES AND FISHERIES. HONOURABLE BRIGHT'S SPEECH**

prevailing at the time. The Campaign

achieved through production of sustainable coffees for the specialty markets and total quality improvement within the supply chain. Farmers akin to this are attracting premium prices for their produce through bulk marketing.

cerns in the Chairman's welcome remarks. These issues shall be handled by the Ministry and at the UCDA Board level where coffee farmers have representation.

The Rt. Honourable Prime Minister, allow me to once again thank the

**.....global warming and escalating oil prices, which are threat to the agricultural sector**

.....

puts emphasis on: Research, Extension, Farmer organizations and Inputs and Credit. I am truly thankful that farmer associations are being formed; and some of these have SACCOs already.

On Coffee Wilt Disease (CWD), I am extremely happy to inform you that our Scientists have had a breakthrough – 8 lines have passed all CWD tolerant tests. They are at the multiplication stages at the COREC, Kituza now for release to farmers. I will ensure that the relevant authorities: the Parliamentary Sessional Committee on Agriculture, Ministry of Finance, Planning and Economic Development, NARO, COREC, UCDA and NAADS to speed up the process of releasing the resistant varieties.

There is wanton release of the Tuzza variety, which is meant for medium altitude areas by farmers, a practice that hasn't only affected quality but brought outcry to farmers in low altitude areas. Those of you who have planted this variety, I urge you to stop until it is released officially. In this regard, I call upon UCDA and NUCAFE to restrain farmers from this practice.

Value addition at farm level is being

At the industry level, value addition continues through roasting for the domestic market, which is currently very small although growing. Efforts are under way to have an Instant (soluble) Coffee Plant at the Kampala Industrial Park in Namanve.

Ladies and gentlemen, there has been an improvement in coffee prices on the international market from which farmers are benefiting. My advice to you is to invest this money in productivity enhancement – through new planting, purchase of appropriate farm implements, total quality improvement and consequently better quality of life.

Matters of international concern include global warming and escalating oil prices, which are threat to the agricultural sector as a whole. The scientists in the Ministry are addressing global warming but in the meantime; we need to continue planting more coffee trees; practice agroforestry and mulching.

Our Chief Guest, I have taken note of NUCAFE's con-

**.....value addition continues through roasting for the domestic market....**

**.....Efforts are under way to have an Instant (soluble) Coffee....**

Board of NUCAFE, the coffee and the entire coffee fraternity for the good work they are doing for the country. May God bless you.



**Mr. Wanyama Ibrahim of Balton (U) Ltd. A member of UNADA, displays some of the certified quality fertilizers that are available on Uganda Markets, supplied by Balton, and multiply coffee yield and quality if applied timely.**

## SPEECH BY THE HONOURABLE GERALD SSENDAULA, CHAIRMAN - NUCAFE AT THE 3<sup>RD</sup> UNCFCE 30TH JULY, 2008 AT MANDELA NATIONAL STADIUM, NAMBOOLE

Our Guest of Honour, The Right Honourable Prime Minister, Honourable Ministers, Honourable Members of Parliament, Your Excellency the Ambassadors, Permanent Secretaries, Coffee farmers, All coffee lovers, Invited Guests, Ladies and Gentlemen

In a special way I would like to welcome all of you to the third National Coffee Farmers' Convention 2008. We would like to thank you most sincerely for sparing time to come and share with us issues of great importance not only to Uganda coffee sector but also the world over. This convention as it clearly demonstrates today, it is the largest coffee forum not only in Uganda but also in Africa as a whole.

The theme of this year's convention is; "Coffee is our shared business; together we enhance its sustainability."

Our Guest of Honour, I would like to introduce ourselves. We the coffee farmers of Uganda organized ourselves into a specialized commodity association called NUCAFE (National Union of Coffee Agribusinesses and Farm Enterprises). We are a legally registered private association. The vision of our association is, "Coffee farmers profitably own their coffee along the value chain for sustainable livelihoods".

### Objectives of the Convention

We are here today to share with you what so far we have achieved in some of our associations so that the lessons learnt can be replicated to other areas.

We would like also to dialogue on the future of the Uganda Coffee sector in



Hon. Gerald Ssendaula, The NUCAFE Chairman, talks to members of the press about the pressing need of having a National Coffee Policy, to sustain the Coffee Industry

view of the global and local challenges so that we can forge a way forward to the betterment of the current and future generations.

We would like to share information

....the future of the  
Uganda Coffee sector in  
view of the global and  
local challenges....

about the world market situation and be able to restore hope in farmers because 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 125 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.

In 2005 convention, NUCAFE had managed to a greater extent to assist 10 associations to move away from selling unprocessed coffee (kiboko) to selling 320 tonnes of FAQ (Fair Average Quality). Before the farmers were organized, they used to sell a kilogram of kiboko coffee at 300/= even with the good prices in April 2005. A case

## SPEECH BY CHAIRMAN NUCAFE, CONTINUED.....

in point was Bunjakko Island, Buwama Subcounty Mpigi district. After mobilisation and some value addition, farmers sold their coffee at 2000/= of FAQ making a net profit of 1200/= after deducting all expenses.

NUCAFE has developed a new approach of empowering farmers to gradually expand their scope of responsibilities and activities in the coffee value chain and by so doing increase their farm incomes.

With the aim to improve the standard of living of the farmers, NUCAFE uses the "farmer ownership model" whereby farmers are empowered to

**.....value per kilogram of Fair Average Quality that was added to the farmers because of the farmer ownership model....**

own their coffee along the various stages of the value chain. At the same time farmers organize themselves to assume as many roles as possible in the coffee value chain in order to increase their income from the value added to the product.

The farmer ownership model is a response to a problem with the traditional cooperative model. The traditional cooperative assumes a role which is very similar to that of a middleman who maximizes profits through offering a low price to the farmer or by selling at the highest price possible. This alienating effect on the farmers kicks in especially when the cooperative grows and when farmers lose control and ownership to the employees.

According to the "farmer ownership model" the role of the farmer organization such as NUCAFE is different. Rather than buying coffee, NUCAFE focuses on being a process facilitator providing goods and services that empower farmers to upgrade and move up the coffee value chain. Also the roles of the middlemen and processors change. Instead of buying, processors are simply paid processing charges and then the processed product goes back to the farmer who is encouraged to continue adding value. The farmer can further add value by sorting, grading, roasting, grinding, branding and joint ventures (shareholding). This way, farmers and farmer groups and associations are encouraged to assume as many functions as possible within the value chain in order to improve their livelihoods sustainably. Of course it all depends on the capacity of the farmer through the farmer organization (group, association or cooperative) to assume some or all of these functions. NUCAFE builds the capacity of farmers and farmer organizations through training, coaching, and guiding farmers through a process of attitudinal change that is required, especially in the early stages of adopting the model. Furthermore, the farmer ownership model encourages farmers to diversify and integrate other enterprises on their farms to ensure stable incomes during the off-coffee seasons.

Trader or processors are not members of NUCAFE but some subscribe to the NUCAFE Farmer ownership model because to some it is viewed as eliminating them from buying coffee. However, through education, some have realized that if their function of buying raw coffee or even flowers does not change, there would be no coffee in some years to come because farmers' margins steadily continue to shrink to a point that volumes will cease to

make economic sense not only to the farmers but also to the processors/traders. Therefore, processing (milling) at a fee is seen as a win-win for them as processors and the farmers.

In 2007, NUCAFE continued to expand in membership from 110 member associations and corporate companies in 2006 to 125. Through improved quality, value addition in form of minimal processing and negotiating directly with exporters combined with the favourable world coffee prices, NUCAFE linked more coffee from farmers directly to exporters and substantially increased their returns. The change was significant, from Uganda shillings 1200 for 2 kg of unprocessed dry coffee cherries (kiboko) in 2006 to as much as 3300 per kilogram of Fair Average Quality (F.A.Q) for robusta in 2007 and from Uganda shillings 1300 per kg of arabica parchment to as much as 3400 per kilogram of arabica parchment in 2007. Through its market linkage service, NUCAFE facilitated an increase in volume sold from 331 metric tonnes of F.A.Q coffee in 2006 to 630 metric tonnes in 2007. This achievement resulted into increased net incomes of farmers with an overall value added of Uganda shillings 413,360,457 out of the total of Uganda shillings 1,677,220,618 obtained from the sale of 630 metric tons. Consequently as part of this value, farmers from Erusi Coffee Farmers Association initiated what they called the Home Improvement Programme (HIP) in Nebbi district where 42 farmers who were staying in grass thatched houses for decades purchased 1005 iron sheets. Furthermore, 5 farmers from Buwama Coffee Farmers Association in Mpigi district bought 5 motor bikes to support them in transportation service.

## SPEECH BY CHAIRMAN NUCAFE, CONTINUED.....

Another interesting aspect of 2007 work was the realization by the farmers that time had come for them to contribute towards the sustainability of the services and goods provided by the NUCAFE system. Out of the total value per kilogram of Fair Average Quality that was added to the farmers because of the farmer ownership model, farmers paid their facilitating organizational structures over Uganda shillings 20 million. I am happy to inform you that our neighbours; Tanzania and Kenya have found NUCAFE as a learning centre for the farmer ownership model and the model is being adopted in those countries.

### Challenges

Having said all that, I would like also to share with you the challenges we are facing the farmers and which have impeded faster expansion and development in the coffee sector:

### National Coffee policy

It is sad to note that the commodity which has a remarkable historical economic importance to this country lacks a policy for proper guidance of potential investors. As a result, sector players have from time to time come up with many strategies which are never implemented. There are instead annual policy statements scattered in a myriad of documents making it difficult to pin point what is Uganda's policy for reviving the coffee industry to achieve the expected growth. As a result the policy guidelines being used right now are discerned from the annual broad policy statements of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) issued each year in support of budgetary requests from the Government. This does not auger very well for a sector which is among the top foreign exchange earners for the country and on which 33% of the total households in Uganda

depend for their livelihoods. For example, there is no policy whatsoever to guide release of new coffee varieties to farmers. A case in point is now the popular low land Arabica (catimors), which has left farmers in Bushenyi, Masaka and Rakai only to cultivate vegetative growth rather than the much needed coffee beans.

With the absence of the well articulated coffee policy, the coffee farmer is faced with lack of ownership and control over the coffee and programmes that come with coffee. This has dis-empowered coffee farmers from making informed decisions that would make a difference in their liveli-

**.....instead annual policy statements scattered in a myriad of documents making it difficult to pin point what is Uganda's policy for reviving the coffee industry.....**

hoods.

### Regulatory and institutional framework

Today the Uganda coffee sector is faced with an obsolete coffee law that brought the Uganda Coffee Development Authority (UCDA) into forth. The UCDA statute has many gaps in that it has not lived with the changes and developments in the coffee value chain. The law does not take into consideration how the farmer must deal with the coffee especially after harvesting. Today, there are coffee roast-

ing facilities and hotels that serve coffee. However, our country has been a laughing stock because the methods of preparing and serving coffee in those places are not covered by the current law. In other words, Uganda does not have an appropriate coffee standard that regulates the whole value chain to match the current market requirements. District coffee bye laws are not effective at all because some districts have bye laws and others do not. In the process the quality defaulters cannot be dealt with appropriately.

### Status of the coffee research centre

Today, it is not clear where the coffee research centre (COREC) belongs. There is dilemma as to whether the coffee research is the responsibility of UCDA or NARO under the National Agricultural Research Services Act. The current coffee research centre used to be a fully fledged coffee research institute but was down-graded to a mere centre!! The research centre is faced with lack of sustainable funding. These challenges have not only affected the proper functioning of this institution operationally but have had many multiplier negative effects to the entire coffee sector and the country as a whole. The research centre has done a commendable job in breeding for about seven coffee wilt resistant varieties but there is no money for multiplication so that farmers can access them.

### Status of the volume of coffee and quality

When liberalization was introduced, the coffee farmers were not assisted to organize themselves in order to maximize sustainably on the benefits that come with liberalization and globalization. The benefits that the coffee farmers enjoyed in the mid 1990s were short-lived. For example in



## SPEECH BY CHAIRMAN NUCAFE, CONTINUED.....

1996/97, Uganda exported 4.2 million bags of 60 kg compared to 2.0 million bags of 60kgs. This represents a percentage decline in volume of more than 50%. Today many coffee farmers sell flowers and unripe coffee. We continue to see serious quality deterioration when different quality parameters are analyzed. According to UCDA statistics, when you consider robusta coffee screen 15, the volume of coffee exported as screen 15 declined by over 50% from 1,560,548 bags of 60kgs in 2000/2001 to 404,017 bags of 60kgs in 2005/2006. When you translate this into monetary value, at current prices, there has been financial loss of about US\$ 100 million per year making a total loss of over US\$ 600 million in a

**.....support the organization of coffee farmers by adopting the farmer ownership model....**

period of 6 years for only robusta coffee screen 15. This means the combined financial loss the country has incurred when you compare with other screens and other Arabica grades presents a very big threat to this country. Also, it poses serious policy implications especially as far as government efforts towards prosperity for all are concerned.

### Coffee Consumption

Uganda needs to consider domestic coffee consumption as a priority. Uganda's coffee per capital consumption is less than 5% of its coffee production. This also poses a challenge in terms of not only quality improvement and domestic market but also health. We need to learn from Ethio-

pia. Today Ethiopia consumes about 50% of its coffee production. Where is the problem? Can we say that the problem is again policy?

### Branding

We have not done enough in branding Uganda's coffee. We do not find Uganda coffee on the shelves of super markets in Europe and United States. Is this also a policy problem.

### Recommendations:

#### Coffee Policy

We need the support of government to urgently develop a national coffee policy which is owned by all stakeholders.

#### Regulatory framework

We urgently request government to amend the statute that brought the Uganda Coffee Development Authority (UCDA) into forth so that UCDA can be empowered to apply best regulatory practices and funding for research, production, farmer organizations and promotion. The amendment of the UCDA statute should take into account the development of the Uganda coffee standard as an integral part of it.

The law that downgraded the coffee research institute to a mere centre must be revisited and be re-instated under UCDA.

#### Coffee research

We are proposing that coffee research must be the responsibility of farmers. In other words, Uganda Coffee Development Authority must take charge to ensure sustainable funding of the research from Cess.

### Coffee Consumption and branding

As part of the new considerations under the national coffee policy, there is need to support efforts towards domestic coffee consumption and also branding coffee to be promoted at national, regional and international level.

### Replanting programme

The coffee replanting programme is at the hearts of so many coffee farmers and funding for multiplication of planting materials is urgently required.

### Support to popularization of the "farmer ownership model"

Farmer organizations are "vehicles" to mobilization and empowerment of farmers in this liberalized market economy. We would like to request government to support the organization of coffee farmers by adopting the farmer ownership model which is an innovation of ourselves. We have tested it and it is working but we lack resources to reach out to many coffee farmers. NUCAFE is a well organized group with a well articulated model and strategy contributing to many government programmes such as Prosperity for All.

Thank you very the Right Honourable Prime for accepting our invitation and I do kindly request to stay longer so that you can appreciate what the coffee sector can do for this country.

### Acknowledgement

I would like to thank all those that have supported this forum. I would like to mention some of the organizations such as DANIDA ASPS, Bank of Uganda, UCDA, NAADS, PSFU, all exhibitors, buyers and fellow farmers.

# PICTORIAL COVERAGE OF THE UNCFCE ON 30/07/2008



# PICTORIAL COVERAGE OF THE UNCFCE ON 30/07/2008



# MORE PICTORIAL COVERAGE OF THE UNCFCE.....



# MORE PICTORIAL COVERAGE OF THE UNCFCE.....



Mr. Wanyama Ibrahim, of Balton (U) Ltd, a member of UNADA trains farmers on how to use chemicals in coffee fields, both organic and Inorganic

# EXTRA PICTORIAL COVERAGE OF THE UNCFCE.....



## GRIM COFFEE PICTURE CAN BE BRIGHTENED

Farmers' Diary Extract: By Micheal J. Ssalli

Coffee farmers' representatives from all over Uganda converged at Mandela National Stadium on July 30 to attend the third Coffee Farmers Convention whose theme was "Coffee is our shared business; together, we enhance its sustainability". Mr. Gerald Ssendaula former Minister of Finance and Chairman of National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE) described the convention of about 2,000 participants as not only the largest forum in Uganda but also in Africa. The Prime Minister, Professor Apollo Nsubambi, was the Chief guest.

The Minister of State for Agriculture, Animal Industries and Fisheries, Maj. Bright Rwamirama, attended the convention as did officials from Uganda Coffee Development Authority (UCDA), Members of Parliament, District Chairpersons, and representatives of the donor community.

The convention provided an opportunity to the farmers to share information about the problems affecting the production and sustainability of the crop, especially regarding the Coffee Wilt Disease, production promotion, coffee quality improvement, value addition and marketing. The Convention was an indication that farmers are now seeking to take more responsibility for their crop. It was also a sign that they are determined to have a bigger voice as a united body to enhance their opportunities for a higher income. Among the key issues discussed was how to minimize the role of middlemen in the coffee value chain.

The best option, it was agreed, was to encourage the farmers to engage in such activities as sorting, grading, roasting, grinding and branding. They are now aware that selling graded, roasted or grounded coffee directly to the exporters earns them a lot more



A Coffee farmers, stands in-front of a tree as old as he is, and exclaims of how it is still yielding highly due to good management but most have died because of CWD, that has no cure.

than selling unprocessed dry coffee berries to the middle men as the common practice. They were also encouraged to form associations in order to sell in bulk and bargain for better prices. Mr. Ssendaula told the Prime Minister that it was a shame that up to now Uganda does not have a coffee policy to offer guidance to potential coffee investors and revive the industry to its expected growth. "Yet it is one of the top foreign exchange earners of the country and on which 33 percent of households depend for their livelihoods", he said, adding that due to lack of such a policy, some farmers are growing Low Land Arabica coffee in regions where it should not be grown. Mr. Ssendaula was also concerned about the UCDA statute has many gaps, making hard to control and promote coffee quality. "The Police may arrest people drying coffee on bare ground or engaged in other coffee quality eroding activities but it cannot take them to court because there is no clear law on which to base the court proceedings.

He was bitter that the Coffee Research Center (COREC) was down graded to a mere center and that its funding has over the years been reduced. He observed that despite its limited resources, it had come up with seven coffee wilt resistant varieties but could not produce the seedlings to pass onto

the farmers because it did not have the money. "This money must be made available right now! The Robusta crop for which our country is famous world wide is in danger of extinction and the government cannot say there is no money to save it," Ssendaula said. Hon. Oliver Wonekha, the MP for Buduuda echoed most of Ssendaula's concerns. The MP who comes from Eastern Uganda where Arabica coffee is grown, said the current crop diseases related to Arabica Coffee growing put together nearly outweigh the threat of coffee wilt disease that is finishing off the Robusta coffee and so she insisted that the government must increase funding for coffee research.

Prof. Nsubambi asked Maj. Rwamirama to explain the reported shortage of money for the multiplication of coffee wilt resistant seedlings. Rwamirama surprised nearly everyone when he said money was available to the Ministry of Agriculture. He could not however tell how much it was or why it had never reached the researchers. An official of UCDA, Mr. Henry Ngabirano, also said the money was available but could not disclose the amount. Ssendaula who apparently had it on good authority that COREC was cash strapped, remained unconvinced.

Rwamirama's revelation baffled the farmers who could not believe that they lacked safe coffee planting materials yet the money to provide the badly needed seedlings was available. A NUCAFE official later commented that, "If the Ministry of Agriculture, Animal Industries and Fisheries or UCDA have the money and have not passed it on to COREC, then it is negligence."

Nsubambi invited NUCAFE, the Ministry of Agriculture, Animal Industries and Fisheries, and UCDA officials to a follow up meeting for more discussions. He also promised that within four months, the government will have come up with a national coffee policy.

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**NUCAFE**

**Coffee Farmers profitably own their coffee along the value chain for sustainable livelihoods.**

By Ronald Kalyango

COFFEE traders who dry their produce on bare ground risk arrest, the Uganda Coffee Development Authority has warned.

Apollo Kamugisha, the principal development officer, said the practice affected coffee quality, which would make Uganda lose its position on the world market.

Uganda is the lead producer of high quality Robusta beans in the world. Indigenous to Uganda and the Congo, Robusta coffee is grown at high altitude in volcanic soil and wet climates. Kamugisha was on a tour of coffee-growing areas of Masaka, Rakai and Sembabule districts

## COFFEE BODY WARNS TRADERS ON QUALITY



A female farmer in Kilyasaaka Village, Kibinge CFA, displays her storage sack during external inspection in preparation for Utz certification, she's keen on quality of coffee.

where he found many traders drying coffee on bare ground.

He closed down about 17 factories whose activities were affecting the quality of coffee. The factories were accused of processing wet coffee, poor hygiene and having uncemented floors and unplastered walls.

**.....we are forced to throw away coffee beans that smell of dust," said Luswata.....**

Many of them also lacked husk collection boxes and were sun-drying the coffee on bare ground next to roads and paths. "Coffee is the country's biggest income earner, but its quality is declining due to bad practices. This trend must stop or

the culprits will be imprisoned," Kamugisha warned.

James Luswata, the authority's principal technical officer, said they were finding it increasingly difficult to market Uganda's coffee on the world market.

"Before coffee is exported, we carry out cup tests on all the exports. At times we are forced to throw away coffee beans that smell of dust," said Luswata. Kamugisha also warned traders against processing wet coffee.

During the two-week tour, Kamugisha advised farmers on proper farming practices such as mulching, weeding and pruning in addition to uprooting and burning trees attacked by the coffee wilt disease. He emphasised the need to harvest only ripe berries and dry them on tarpaulins, mats or cemented floors.





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