

Vote: 160 Uganda Coffee Development Authority

QUARTER 4: Highlights of Vote Performance

VI: Summary of Issues in Budget Execution

This section provides an overview of Vote expenditure

(i) Snapshot of Vote Releases and Expenditures

Table V1.1 below summarises cumulative releases and expenditures by the end of the quarter:

Table V1.1: Overview of Vote Expenditures (UShs Billion)

| <i>(i) Excluding Arrears, Taxes</i> | Approved Budget | Cashlimits by End | Released by End | Spent by End Jun | % Budget Released | % Budget Spent | % Releases Spent |
|---------------------------------------|-----------------|-------------------|-----------------|------------------|-------------------|----------------|------------------|
| Recurrent Wage | 0.000 | 0.000 | 0.000 | 0.000 | N/A | N/A | N/A |
| Recurrent Non Wage | 7.912 | 7.464 | 7.465 | 7.460 | 94.3% | 94.3% | 99.9% |
| Development GoU | 0.000 | 0.000 | 0.000 | 0.000 | N/A | N/A | N/A |
| Development Donor* | 0.000 | N/A | 0.000 | 0.000 | N/A | N/A | N/A |
| GoU Total | 7.912 | 7.464 | 7.465 | 7.460 | 94.3% | 94.3% | 99.9% |
| Total GoU+Donor (MTEF) | 7.912 | N/A | 7.465 | 7.460 | 94.3% | 94.3% | 99.9% |
| <i>(ii) Arrears and Taxes</i> Arrears | 0.000 | N/A | 0.000 | 0.000 | N/A | N/A | N/A |
| Taxes** | 0.000 | N/A | 0.000 | 0.000 | N/A | N/A | N/A |
| Total Budget | 7.912 | 7.464 | 7.465 | 7.460 | 94.3% | 94.3% | 99.9% |
| <i>(iii) Non Tax Revenue</i> | 14.274 | N/A | 29.275 | 24.470 | 205.1% | 171.4% | 83.6% |
| Grand Total | 22.187 | 7.464 | 36.739 | 31.930 | 165.6% | 143.9% | 86.9% |
| Excluding Taxes, Arrears | 22.187 | 7.464 | 36.739 | 31.930 | 165.6% | 143.9% | 86.9% |

* Donor expenditure information available

** Non VAT taxes on capital expenditure

The table below shows cumulative releases and expenditures to the Vote by Vote Function :

Table V1.2: Releases and Expenditure by Vote Function*

| Billion Uganda Shillings | Approved Budget | Released | Spent | % Budget Released | % Budget Spent | % Releases Spent |
|----------------------------|-----------------|--------------|--------------|-------------------|----------------|------------------|
| VF:0153 Coffee Development | 22.19 | 36.74 | 31.93 | 165.6% | 143.9% | 86.9% |
| Total For Vote | 22.19 | 36.74 | 31.93 | 165.6% | 143.9% | 86.9% |

* Excluding Taxes and Arrears

(ii) Matters to note in budget execution

The value of coffee exports for FY 2014/15 remained at US\$ 402.9m compared to the FY 2013/14 which affected the budget out turn from the projected revenue from cess.

A total of UGX 13bn was received from NAADS Secretariat to cater for seedlings under Operations Wealth creation.

A total of UGX 18.57bn is the outstanding balance arising from coffee seedlings planted in the March to May 2015 season. The arrears accumulated were due to the differences in Accrual Accounting method used by UCDA as opposed to the Modified Cash Accounting.

Table V1.3: High Unspent Balances and Over-Expenditure in the Domestic Budget (Ushs Bn)

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| <i>(i) Major unspent balances</i> |
| <i>(ii) Expenditures in excess of the original approved budget</i> |

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QUARTER 4: Highlights of Vote Performance

* Excluding Taxes and Arrears

V2: Performance Highlights

This section provides highlights of output performance, focusing on key outputs and actions implemented to improve section performance.

Table V2.1: Key Vote Output Indicators and Expenditures*

| Vote, Vote Function Key Output | Approved Budget and Planned outputs | Cumulative Expenditure and Performance | Status and Reasons for any Variation from Plans |
|---|--|--|---|
| Vote Function: 0153 Coffee Development | | | |
| Output: 015301 Production, Research & Coordination | | | |
| <i>Description of Performance:</i> | <ul style="list-style-type: none"> - Raise 96 million seedlings; 60.48 Million seedlings of Robusta and 1.6 Million seedlings Arabica - 9.6 Million Agro Forestry Tree Shade seedlings raised - 96 million seedlings potted. - 200,000 CWD-R plantlets distributed to at least 285 CWD-R Nursery operators - 1 million tissue culture seedlings procured - Provision for weaning and Hardening of 1 million - Pests and diseases surveillance carried out and reports submitted. - Development of training and awareness material for farmers. - Set 1 acre demonstration on Integrated pest Management (IPM) per district – 33 districts - 3.34 million seedlings distributed and planted by identified Groups - 0.905 million seedlings planted by commercial coffee farmers in total - 250 farmers establish 1 acre demonstration plots. - 5 districts per region involving 50 farmers each, participate in farmer competitions (Prizes include; hand pulpers, tarpaulins, bicycles, radios, and solar panels) | <ul style="list-style-type: none"> Raised 108.6 million Seedlings (80.8million Robusta seedlings and 27.8 million Arabica seedlings). Distributed 54.3 MT of seeds (40.4MT Robusta and 13.9MT Arabica) Provided Financial and Technical support to 3 seed gardens producing 3.56 MT of seeds (Buginyanya 3 MT, Ngetta 360 Kgs and Zombo 200 Kgs) Supported 27 mother gardens with Nursery equipment (Hife Nets, Metal bars, Timber, Wheelbarrows, drums, Hoes, Spades, Shovels, Trowels, soil sieves) Allocated 25,000 Coffee Wilt Disease Resistant seedlings to 60 mother gardens Secured 1 Service provider to undertake generation of 0.5 million CWD-R Tissue culture plantlets Procured 3,200 liters of chemical and sprayed 2,800 acres of coffee. Set up 34 IPM demonstration sites in 34 Districts. Procured and distributed 20 Motorized spray pumps for more effective spray impact and speed up spraying. Planted 85.881 million Seedlings by farmers/farmer groups, and veterans, benefiting a total of 414,660 households Planted 0.54 Million seedlings by 32 commercial farmers | <ul style="list-style-type: none"> .1. Above target seedlings generated due to increased interest from farmers and there were also better germination rates than anticipated 2. More seedlings were planted because of extra funding from NAADS and plantings under Operation Wealth Creation (OWC) 3. CWD-R target was not achieved because the slow biological process of the Tissue Culture |

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QUARTER 4: Highlights of Vote Performance

| <i>Vote, Vote Function Key Output</i> | Approved Budget and Planned outputs | Cumulative Expenditure and Performance | Status and Reasons for any Variation from Plans |
|---|--|--|--|
| | - 50 Coffee farms demonstrate appropriate soil and water management practices for hilly areas. | Established 250 demonstration plots (1 acre each) | |
| | - 5 farmers per region are supported to establish water harvesting facilities – water tanks | Conducted farmers competitions in 25 Districts where 1,250 farmers participated | |
| | - 5 farmers per region are supported to establish water harvesting facilities – water ponds using polythene sheets. | Set up 50 coffee farms demonstrating soil and water management in the 10 districts. | |
| | - 15 farmer groups mapped and input into a GIS system and maps generated. | Supported 25 farmers with water harvesting facilities – water tanks; 25 farmers supported with polythene sheets | |
| | - Ten (10) farmer groups (in Kasese, Kisoro, Nebbi, Sironko, Kapchorwa, Bushenyi, Ibanda, Bukwo, Kween, Bulambuli) trained | Registered all farmer groups practicing sustainable coffee production | |
| | 3 farmer groups supported to access external markets. | Trained 10 farmer groups in Kasese, Nebbi, Sironko, Kapchorwa, Bushenyi, Bukwo, Kween, Bulambuli) | |
| | - 200,000 seedlings planted by the farmer groups; Gumutindo, Bukhonzon organics, Kawacom, NIHACOFA and Ankole Processors | Supported 2 groups; Kibinge and Gumutindo Coffee Farmers Co-operatives with Certification | |
| | - Different soil characteristics identified & coffee marketed according to location | 360,000 seedlings planted; (Ugacof – 180,000, UCFA – 140,000, NIHACOFA – 40,000) | |
| | - 1000 copies of manual printed & distributed | Soil analysis report submitted by UF and presented to Stakeholders. Action plan developed for implementation of the recommendations in the report. | |
| | - 3 Certifications attained. | | |
| | - 500 Buyers' Stores registered and licensed | Manuals on sustainable coffee production procured and used for farmer training. | |
| | - 300 Primary Processing Factories Licensed | Certification supported. | |
| | - 20 Export Grading factories registered and licensed | 400 store registered and licensed, 220 primary processing factories licensed | |
| | - 250 Processors and Buyers trained on; Hygiene requirements, Processing standards and Coffee regulations | Carried 32 training sessions for 300 buyers, processors, covering quality aspects and coffee regulations | |
| | - Set up 1 field quality improvement teams per Region to have 1 Week Crackdown per Main season: | 4 Multi-stakeholder task force set up for quality improvement in South Western and Eastern regions. | |

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| <i>Vote, Vote Function Key Output</i> | Approved Budget and Planned outputs | Cumulative Expenditure and Performance | Status and Reasons for any Variation from Plans |
|---|---|---|--|
| | - 384 training sessions carried out and 38,400 Farmers trained on GAPs. | 3 Regional Taskforce set up for Quality improvement in Central, Western, and Northern Regions | |
| | - All Seed gardens and Nurseries certified and issued with certificates | Carried out 288 training sessions attracting 30,245 farmers | |
| | - 30 Coffee Platforms facilitated to carry out coffee activities; Quality improvement Organize and participate in Coffee shows | All nurseries supplying seedlings were certified. Facilitated 21 District platforms to organize coffee shows in 21 Districts | |
| | - National Steering committee meets monthly to discuss value chain activities Inputs Dealers, Farmers, Researchers and other stakeholder linkage strengthened | Held 12 Meetings of the NSC and discussed Finalization on extension materials, Proposal for a Pilot District Project on Training Extension staff and farmers on Sustainable coffee production systems, Discussed recommendations on evaluation of the Coffee Platforms and preparations for the ASHM - The ASHM of the coffee platform held. | |
| | - Annual stakeholder Meeting held attended by at least 200 stakeholders; new strategies presented and views collected, New developments in Coffee Research, Trends along the value chain and other initiatives are discussed. | Held 21 Coffee shows attracting over 23,000 show goers. | |
| | - Inter-Regional Farmers Study Tours undertaken ;(Eastern to Northern; Northern to Western; Western to Eastern; South/Western to Central; Central to South/Western) | 5 Inter regional farmers tours carried out (Eastern to Central; Western to South Western; South – Western to Central; Central to South Western; Northern to Eastern). | |
| | - 100 farmers per region learn new GAPs; Improved GAPs and coffee quality | 3,000 Minutes of air time on 10 radio stations was used to air messages on GAPs, Management of Diseases and Pests especially BCTB and Guidelines on planting | |
| | - Attend the Global Robusta Conference | Attended ASIC in Columbia Coffee research provided with financial support for Research programmes | |
| <i>Performance Indicators:</i> | | | |
| Number of Coffee District Platforms facilitated for coffee activities | 8,000 | 21 | |
| No. of coffee seedlings produced (million) | 59 | 108.6 | |
| No. of Coffee Wilt Disease | 6 | 27 | |

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| <i>Vote, Vote Function Key Output</i> | Approved Budget and Planned outputs | Cumulative Expenditure and Performance | Status and Reasons for any Variation from Plans |
|---|--|---|--|
| Resistant (CWDr) Mother Gardens Established & Supported | <i>Output Cost:</i> UShs Bn: 12.283 | UShs Bn: 19.733 | % Budget Spent: 160.7% |
| Vote Function Cost | UShs Bn: 22.187 | UShs Bn: 31.930 | % Budget Spent: 143.9% |
| Cost of Vote Services: | UShs Bn: 22.187 | UShs Bn: 31.930 | % Budget Spent: 143.9% |

* Excluding Taxes and Arrears

Key Vote Performance for the fourth quarter of FY 2014/15 is highlighted as follows:

Exports

The total volume of exports in the fourth quarter of the FY 2014/15 was 861,682 bags (60-Kgs) compared to 883,694 (60-Kgs) bags in April to June in 2013/14. This represents a decrease in volume performance by 2%. By coffee type, 656,367 bags of Robusta were exported compared to 641,431 bags in 2013/14 (2% increase) while 205,315 bags of Arabica were exported compared to 244,333 bags in FY 2013/14 (15% decrease).

Total value of exports for the fourth quarter was US\$ 92,504,017 compared to US\$ 109,154,219 in the FY 2013/14 (16% decline). By coffee type, US\$ 68,224,892 were realized from Robusta compared to US\$ 70,359,902 in FY 2013/14 (3% decrease). The value of Arabica was US\$ 24,279,125 compared to US\$ 38,794,317 in FY 2013/14 (37 % decrease).

Production Research and Coordination

The Vote Function implements programs aimed at increasing coffee production through generation of clean planting material, promotion of the re-planting program and yield improvements of existing old coffee trees. The following achievements were registered:

Distributed 9.9MT of Robusta seed raising 19.8million seedlings and 0.32MT of Arabica raising 0.64million seedlings. Provided financial and Technical support to seed gardens in Buginyanya, Ngetta and Zombo. Sprayed 2,800 acres against Black Twig Borer using 3,200 liters of chemical. Established 34 Integrated Pest Management (IPM) demonstrations in 34 Districts. Planted 39.977 million seedlings benefitting a total of 199,885 households. Trained 10 farmer groups in Zombo, Sironko, Bushenyi, Kween, Bulambuli on sustainable coffee production systems. Conducted 96 training sessions attracting 10,725 farmers on Good Agricultural Practices. Aired 600 Minutes on 10 radio stations messages on GAPs, Management of Diseases and Pests especially BCTB, Guidelines on planting.

Coffee Development in Northern Uganda

The Vote Function intervention aims to promote Coffee growing in new areas, especially in Mid-Northern Uganda. The major goal is to create wealth and improve the welfare of the people in the non-traditional coffee growing areas through sustainable income and to ensure food security. The following were achieved during the quarter:

Distributed 296 Kgs of seed raising 0.592 million seedlings and 5 Kgs of shade tree during the quarter. Formed and registered 49 Community Based Nurseries (CBNs). Conducted 2 workshops for coffee buyers and traders. Conducted 3 Farmer Field Schools (FFS) sessions with 21 farmers participating. Marketed 11.2MT of Kiboko by farmers. Carried out 2 Characterizations with NaCORI

Quality and Regulatory Services

The Authority executed programs of quality improvement and assurance, training and skills development, value addition, generic promotion, and promotion of domestic coffee consumption. The following achievements were recorded:

Ascertained Quality of coffee in the field where 43 samples were analyzed (31 Robusta & 12 Arabica) moisture

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content, outturn and screen retention. Produced 3 Quality Assurance reports containing information on field and FAQ delivery sample analysis and results. Trained 300 farmers, processors, LGs and traders were in best Agronomic practices, PHHPs and value addition through group processing and regulations from the districts of Rukungiri, Kisoro, Isingiro and Bunyaruguru. Analysed 120 FAQ samples at export level, Natural Robusta (66 samples) & Natural Arabica (54 samples)

On Value Addition and Generic Promotion, the Authority participated in the 9th Eastern UMA trade fair in Mbale (Awareness on health benefits of coffee consumption explained, disseminated flyers with information on Ugandan coffee to participants and engaged participants in coffee tasting of the best Ugandan coffees. Participated in a 2 day American Chamber of commerce exhibition at UMA show grounds and Buganda Expo at Bulange Mengo. Promoted coffee in 2 corporate league events.

Exported 57,988 bags (3,479.28 tons) to Asia Pacific region. (China-5734, India-28697, Japan-10770, Taiwan-300, Singapore-2743 & Korea-9744)

Promoted Uganda coffee at 6 International coffee exhibitions and trade fairs in China (Guangdong Innovative Technology College (GITC), Fujian Province's 3-day Ningde Exhibition 2015), Italy (Milano Tutto FOOD Expo 2015 and Milano Expo 2015 under the coffee cluster with the theme: 'Enhancing Food Security with Coffee. Participated in Speciality Coffee Association of Europe (SCAE) Gothenburg, Sweden. Competed in the 3rd World cup taster's championship held in Gothenburg, Sweden. Participated in The Speciality Coffee Association of America (SCAA) conference and exhibition in Washington, USA. Participated at the World Barista Championship, Seattle USA. Promoted Ugandan coffees by using Uganda speciality and fine Robusta at competition and at the brew bar of WBC

Table V2.2: Implementing Actions to Improve Vote Performance

| Planned Actions: | Actual Actions: | Reasons for Variation |
|---|---|--|
| Vote: 160 Uganda Coffee Development Authority | | |
| Vote Function: 01 53 Coffee Development | | |
| - Raise 96 million seedlings | Raised 108.6 million Seedlings (80.8million Robusta seedlings and 27.8 million Arabica seedlings) | 1. Above target seedlings generated due to increased interest from farmers and there were also better germination rates than anticipated |
| - Support 30 CWD Mother gardens to produce 10,000 cuttings | Support 30 CWD Mother gardens to produce 10,000 cuttings | 2. More seedlings were planted because of extra funding from NAADS and plantings under Operation Wealth Creation (OWC) |
| - Procure 1 million tissue culture seedlings | Procured 1 million tissue culture seedlings | 3. CWD-R target was not achieved because the slow biological process of the Tissue Culture |
| - Distribute and plant 3.34 million seedlings | - Distribute and plant 3.34 million seedlings | Coffee Research Trust Fund not yet established. This will depend on the review of the coffee law |
| - Support the establishment of a Coffee Research Institute and a Coffee Research Trust Fund to ensure sustainable financing for coffee research as well as strengthening the linkages among coffee research, development and extension. | National Coffee Research Institute established | |
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| Vote Function: 01 53 Coffee Development | | |
| - Amend the 1991 Coffee Statute | A Position paper on the Revision of Coffee Laws & Regulations was prepared. The review process is at the drafting stage with the Office of the First Parliamentary Counsel | Activity ongoing |
| - Review and revise the 1994 Coffee Regulations | | |

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V3: Details of Releases and Expenditure

This section provides a comprehensive summary of the outputs delivered by the Vote and further details of Vote expenditures by Vote Function and Expenditure Item.

Table V3.1: GoU Releases and Expenditure by Output*

| Billion Uganda Shillings | Approved Budget | Released | Spent | % GoU Budget Released | % GoU Budget Spent | % GoU Releases Spent |
|--|-----------------|-------------|-------------|-----------------------|--------------------|----------------------|
| VF:0153 Coffee Development | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |
| <i>Class: Outputs Provided</i> | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |
| 015301 Production, Research & Coordination | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |
| Total For Vote | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |

* Excluding Taxes and Arrears

Table V3.2: 2014/15 GoU Expenditure by Item

| Billion Uganda Shillings | Approved Budget | Releases | Expenditure | % Budget Released | % Budget Spent | % Releases Spent |
|---|-----------------|-------------|-------------|-------------------|----------------|------------------|
| <i>Output Class: Outputs Provided</i> | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |
| 224001 Medical and Agricultural supplies | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |
| Grand Total: | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |
| Total Excluding Taxes and Arrears: | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |

Table V3.3: GoU Releases and Expenditure by Project and Programme*

| Billion Uganda Shillings | Approved Budget | Released | Spent | % GoU Budget Released | % GoU Budget Spent | % GoU Releases Spent |
|-----------------------------------|-----------------|-------------|-------------|-----------------------|--------------------|----------------------|
| VF:0153 Coffee Development | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |
| <i>Recurrent Programmes</i> | | | | | | |
| 01 Headquarters | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |
| Total For Vote | 7.91 | 7.46 | 7.46 | 94.3% | 94.3% | 99.9% |

* Excluding Taxes and Arrears

Table V3.4: Donor Releases and Expenditure by Project and Programme*