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# UCDA in partnership to boost coffee production

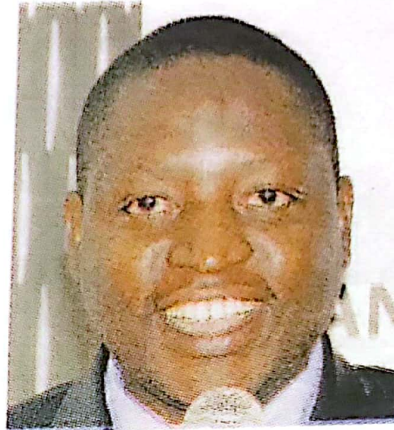
By Edward Kayiwa

The Uganda Coffee Development Authority (UCDA) has partnered with the Uganda Development Bank (UDB) to finance the coffee value chain as the country seeks to produce and add value to 20 million bags by 2020.

Under the financing deal signed on Friday, UDB will provide up to sh100m to organised coffee groups countrywide to purchase agro inputs, machinery and improve coffee storage facilities.

According to the UCDA director for development services, Apollo Kamugisha, UCDA is currently organising coffee farmers into groups to optimise efficiency in service delivery.

"We have completed producing coffee manuals to guide production. However, there was a gap in financing, which we are now partnering with UCDA to bridge," he said. This was on the sidelines of a



Minister Bahati

product sensitisation meeting at Hotel Africana in Kampala on Friday.

In April, President Yoweri Museveni launched an initiative to woo farmers who have unutilised land to allocate it to coffee growing in a move meant to achieve social economic transformation.

According to Museveni, the arrangement is in fulfilment of government target to help households earn at least sh1.6m per annum as the country strives to achieve a middle-

## EXCHANGE EARNER

Coffee is Uganda's third foreign exchange earner, having been overtaken by tourism and remittances from the diaspora.

income status.

In an earlier engagement, the state minister for Investment, David Bahati, told *New Vision* that the Government will suspend the export of raw coffee as it seeks to add value to the cash crop.

Bahati said the move to stop the export of coffee beans will be supported by a \$500m (sh1.8 trillion) investment from Italian coffee roasters, Euro Techno Group at the Namanve Industrial Park.

According to Arnold Ategeka of UDB, the bank has so far supported projects worth \$78m (sh280.8b), which have generated sh4.5 trillion in value-production and 1,900 jobs from funded projects.

He said the bank is committed to supporting the development of the agriculture value-chain in Uganda which employs 80% of the population.

The chairman of the Uganda Coffee Associations Emmanuel Iyamuremye, said the fund will increase the number of farmers growing coffee on a large-scale as well as investors in value-addition.

"Coffee is the biggest trading commodity in Uganda and consumption is growing by the day. We need production and quality in the value-chain. This money will provide the needed capital to invest as we seek to hit 20 million bags in the next few years," he said.

Currently, Uganda earns about \$500m (sh1.8 trillion) from 4.2 million bags of coffee.

According to the Good African Coffee proprietor, Andrew Rugasira, less than 20% of the country's coffee exports in 2015 underwent the full value-addition process of roasting and grinding.