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Enhancement Program (APEP)**
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Fourth Year Semi Annual Progress Report
October 2006 to March 2007



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Fourth Year Semi Annual Progress Report

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USAID APEP INTERVENTION AREAS

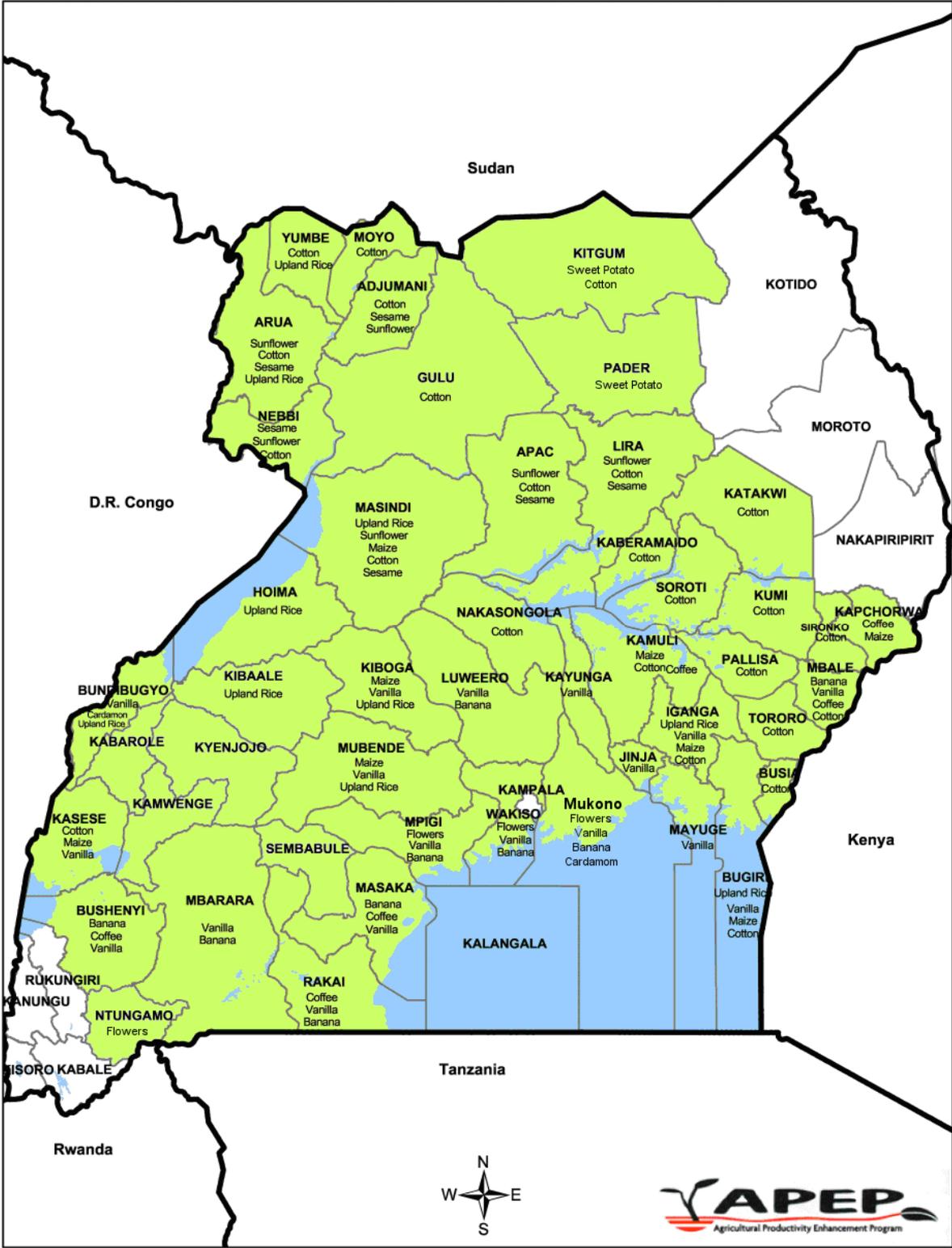


TABLE OF CONTENTS

Table of Contents.....	i
List of Exhibits	iii
List of Acronyms.....	iv
Executive summary	7
OVERVIEW OF CLIMATIC CONDITIONS AND PRICES	7
USAID APEP COMMODITY PERFORMANCE.....	7
PRODUCER ORGANIZATION DEVELOPMENT.....	11
Introduction	18
A. Organizational Structure.....	18
B. Results Framework.....	19
C. Overview of the Climatic Conditions and Commodity Prices	22
D. APEP Commodity Overview	23
E. Producer Organization Strengthening.....	30
Progress by project intermediate results	32
A. PIR 1. Increased Enterprise Efficiencies	32
Objective 1: Expand Access to Agribusiness Services.....	32
Objective 2: Increase Access to Markets	37
Objective 3: Identify and Support Producer-Market Alliances	41
Objective 4: Increased Investment in Private Sector Agriculture.....	46
PIR 2. Increased On-Farm Productivity.....	48
Objective 5: Strengthen and Develop Producer Organizations	49
Objective 6: Increased Access to Improved Production Technologies and Practices.....	55
PIR 3. Improved Enabling Environment.....	62
Objective 7: Identify and Address Agricultural Policy Constraints	62
Objective 8: Stimulate Demand Driven Commercial Agricultural Training.....	63
Objective 9: Establish and Operationalize Biotechnology Regulatory Environment.....	67
Objective 10: Stimulate Demand Driven Agricultural Research	69
Program Management	71
Strategic Activities Fund Management	72
Objective 11: Implement an Effective SAF Program	72
Environmental Compliance	73
Objective 12: Implement and Maintain an Environmental Compliance and Mitigation Plan	73
Monitoring and Evaluation	77
Objective 13: Implement and Maintain an Effective Monitoring and Evaluation System.....	77

Project Administration..... 79
Objective 14. Provide Effective Contract Administration 79

Annex A USAID APEP COMMODITY INTERVENTION AREAS..... 81
Annex B USAID APEP PMP INDICATOR ACHIEVEMENTS 84
Annex C USAID APEP ACTIVE CLIENT PORTFOLIO 87
Annex D USAID APEP SUPPORTED TRAINING EVENTS..... 91
Annex E USAID APEP SAF TRACKER 93

LIST OF EXHIBITS

Exhibit I: APEP Organizational Structure	20
Exhibit II: APEP Results Framework.....	21
Exhibit IV: Comparison of Monthly Coffee Export Volumes and Values: October – March 2005/06 and 2006/07	25
Exhibit V: USAID APEP Production Finance Model	1
Exhibit VI: DC/PO Bulking Marketing Trends.....	31
Exhibit VII: Agricultural Credit from October 2006 to March 2007	34
Exhibit IX: Comparison of Floriculture Exports:.....	40
Exhibit X: Comparison of Vanilla Monthly Airfreight Exports for 2004/05 - 2006/07	40
Exhibit XI: Sesame Outgrower Schemes	1
Exhibit XII: Additional revenue accruing from bulk marketing.....	51
Exhibit XIII: Additional revenue accruing from bulk marketing.....	51
Exhibit XIV: Additional revenue accruing from bulk marketing of Grains	52
Exhibit XV: Savings accruing from Input bulk purchase	52
Exhibit XVI: Total DC additional income from bulk marketing – 203 DCs participating	53
Exhibit XVII: Additional Savings- DC input bulk purchase (97 DCs participating)	53
Exhibit XVIII: Total DC additional income from bulk marketing – Formal Contracts (80 DCs participating)	54
Exhibit XIX: Total DC additional income from bulk marketing – Non Formal (97 DCs participating)	54
Exhibit XX: Rice Demonstration Program Outreach	58
Exhibit XXI: Collaborating Farmers under each Sesame Corporate Partner	59
Exhibit XXII: Farmers Adopting APEP Promoted Technologies	62
Exhibit XXIII: Number of Individuals Trained in Various Agricultural Disciplines.....	66
Exhibit XXIV: Summary of USAI USAID APEP Realignment t Address IEE Concerns.	73
Exhibit XXV: Summary of PERSUAP Activities to date.....	74
Exhibit XXVI: USAID APEP Sentinel Sites for 2006/07	78

LIST OF ACRONYMS

ABDC	AgriBusiness Development Component (of ASP/II/DANIDA)
ABSP/II	Agricultural Biotechnology Support Program II (USAID)
ACDI/VOCA	Agricultural Cooperative Development International/ Volunteers in Overseas Cooperative Assistance
AGOA	African Growth and Opportunity Act
APEP	Agricultural Productivity Enhancement Program
ARDC	Agricultural Research and Development Centre (NARO)
ASPS II	Agriculture Sector Programme Support (DANIDA)
ATAIN	Agribusiness Training and Input Network
ATF	Applied Tropical Floriculture
ATFC	Applied Tropical Floriculture Course
AT Uganda	Appropriate Technology Uganda
A2N	African 2000 Network
BIO-EARN	East African Regional Programme and Research Network for Biotechnology, Biosafety and Biotechnology Policy Development
BBW	Banana Bacterial Wilt
CAA	Civil Aviation Authority
CAEC	Continuing Agricultural Education Centre
CBOs	Community-Based Organizations
CDO	Cotton Development Organization
CERUDEB	Centenary Rural Development Bank
CET	Common External Tariffs
CIAT	International Center for Tropical Agriculture
CO	Contracting Officer
COMPETE	Competitive Private Enterprise and Trade Expansion project (USAID)
CoP	Code of Practice
CORI	Coffee Research Institute
CPPs	Crop Protection Products
CT	Conservation Tillage
CTO	Cognizant Technical Officer
CWD	Coffee Wilt Disease
DANIDA	Danish International Development Agency
DCs	Depot Committees
DCA	Development Credit Authority (USAID)
DFCU	Development Finance Company of Uganda
DfID	Department for International Development (UK)
EAC	East African Community
EAFCA	East African Fine Coffee Association
ECOTRUST	Environmental Conservation Trust
EU	European Union
EUREPGAP	European Retailer-Producer Good Agricultural Practices
FAQ	Fair Average Quality
FEWS NET	Famine Early Warning System Network project (USAID)
FHL	Fresh Handling Limited
FICA	Farm Inputs Care Centre
FIRRI	Fisheries Resources Research Institute
FOB	Free on Board
FY	Financial Year
GDA	Global Development Alliance
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIFAP	Global Crop Protection Association
GIS	Geographic Information Systems
GMO	Genetically Modified Organism
GoU	Government of Uganda
ha	hectare(s)
HO	Home Office
ICP	International Coffee Partners

ICRAF	International Center for Research in Agro Forestry
ICT	Information and Communications Technology
IDEA	Investment in Developing Export Agriculture project (USAID)
IDPs	Internally-Displaced Persons
IEE	Initial Environmental Examination
IEHA	Initiative to End Hunger in Africa
IFAD	International Fund for Agricultural Development
IFDC	International Fertilizer Development Corporation
IFPRI	International Food Policy Research Institute
IITA	International Institute of Tropical Agriculture
INIBAP	International Network for the Improvement of Banana and Plantain
IPM	Integrated Pest Management
IPM CRSP	Integrated Pest Management Collaborative Research Support Program
ISNAR	International Service for National Agricultural Research
ISP	Integrated Strategic Plan
ISTA	International Seed Testing Association
ITI	International Technology Investment, Ltd.
KACOFA	Kapchorwa Commercial Farmers Association
kg	kilogram(s)
LOP	Life of Project
LRA	Lords Resistance Army
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry & Fisheries
MD	Managing Director (USAID APEP)
MEMS	Monitoring and Evaluation Management Services
MFI	Microfinance Institution
MFPED	Ministry of Finance Planning and Economic Development
MOES	Ministry of Education and Sports
MoU	Memorandum of Understanding
MPS	Milieu Project Sierteelt (Dutch environmental quality standards initiative)
MSU	Michigan State University
MTCS	Medium-Term Competitiveness Strategy
mt	metric ton(s)
MUFA	Makerere University Faculty of Agriculture
NAADS	National Agricultural Advisory Service
NARO	National Agricultural Research Organization
NARS	National Agricultural Research System
NBC	National Biosafety Committee
NBCC	North Bukedi Cotton Company
NCBA/CLUSA	National Cooperative Business Association/Cooperative League of the USA
NEMA	National Environment Management Authority
NGO	Non-Governmental Organization
NSCS	National Seed Certification Services
NTAE	Non Traditional Agricultural Export
NRI	Natural Resources Institute
NUCAFE	National Union of Coffee Agribusiness and Farm Enterprises
NUEO	Northern Uganda Eco Organic
OECD	Organization for Economic Cooperation and Development
OGS	Out grower Schemes
OPV	Open Pollinated Variety
P&P	Policy and Procedures
PBS	Program for Biosafety Systems (USAID)
PEAP	Poverty Eradication Action Plan
PERSUAP	Pesticide Regulatory and Safe Use Action Plan
PIR	Project Intermediate Results
PMA	Plan for Modernisation of Agriculture
PMP	Performance Monitoring Plan
PMU	Project Management Unit
PO	Producer Organization
POT	Producer Organization Trainer

PRIME	Productive Resource Investments for Managing the Environment (USAID)
RATES	Regional Agricultural Trade Expansion Support (USAID)
RATIN	Regional Agricultural Trade Intelligence Network
RF	Results Framework
Rural SPEED	Rural Savings Promotion & Enhancement of Enterprise Development project (USAID)
RNE	Royal Netherlands Embassy
SABD	Support to Agri-Business Development Component (DANIDA)
SACCO	Savings and Credit Co-operatives
SAF	Strategic Activities Fund
SAARI	Serere Agricultural and Animal Research Institute
SCAA	Specialty Coffee Association of America
SCOPE	Strengthening the Competitiveness of Private Enterprise project (USAID)
SCRIP	Strategic Criteria for Rural Investments in Productivity (USAID)
SEP	Strategic Export Program
SG2000	Sasakawa Global 2000
SME	Small and Medium-Sized Enterprises
SO	Strategic Objective
SOMED	Support Organization for Micro Enterprises Development
SOP	Standard Operating Procedures
SPEED	Support for Private Enterprise Expansion and Development project (USAID)
STTA	Short-term Technical Assistance
TA	Technical Assistance
TASO	The AIDS Support Organization
TMG	The Mitchell Group
ToT	Training-of-Trainers
UBL	Uganda Breweries Limited
UBOS	Uganda Bureau of Statistics
UCDA	Uganda Coffee Development Authority
UCE	Uganda Commodity Exchange
UCIL	Uganda Crop Industries Limited
UFEA	Uganda Flower Exporter's Association
UGCEA	Uganda Ginners and Cotton Exporters Association
UGTL	Uganda Grain Traders Limited
UNADA	Uganda National Agri-Inputs Dealers Association
UNBS	Uganda National Bureau of Standards
UNCST	Uganda National Council of Science and Technology
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNEX	Union Export Services
UNFFE	Uganda National Farmers Federation
UNIDO	United Nations Industrial Development Organization
UNVA	Uganda National Vanilla Association
UOSPA	Uganda Oilseed Producers and Processors Association
UPTOP	Uganda Program for Trade Opportunities and Policy (EU)
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USh	Uganda Shilling(s)
USTA	Uganda Seed Traders Association
UWA	Uganda Wildlife Authority
VANEX	Uganda Vanilla Exporters Association
VAT	Value Added Tax
WFP	World Food Program

EXECUTIVE SUMMARY

INTRODUCTION

This USAID-funded Agricultural Productivity Enhancement Program (USAID APEP) semi-annual progress report covers the period October 1, 2006 through March 31, 2007. USAID APEP aims to expand rural economic opportunities in the agricultural sector by increasing food and cash crop productivity and marketing. USAID APEP addresses targeted commodities and related systems; production-to-market transactions; improvements in input distribution, technology transfer, and producer organizations (POs); and development of competitive agricultural and rural enterprises. During the reporting period, USAID APEP focused on the following commodities: cotton, coffee, upland rice, sunflower, barley, flowers, vanilla and bananas (matooke).

OVERVIEW OF CLIMATIC CONDITIONS AND PRICES

The onset of steady rains for the 2006B season was delayed as dry conditions or suppressed rains persisted during September 2006 and early October 2006 over wide areas of the country. Occasional heavy rains causing destruction to lives, property and infrastructure were experienced over several places in the country towards the end of October 2006. Worst affected areas included Masindi, Nebbi, Wakiso and Kampala districts. Enhanced rainfall continued in the months of November and December 2006 as moderate El Niño conditions continued. The rains became more pronounced in parts of eastern and central regions, where heavy rains reaching flood levels were experienced in some places.

The cessation of the season which continued in this undulated manner to late January and early February 2007 assisted crop development leading to above average production for most crops apart from the cotton growing areas which continued to receive heavy rains when the normal cotton crop season should have ended. About 30% of the total cotton production in 2006/07 was estimated to have been lost due to boll rots, as a result of development of fungal and disease, loss of squares and bolls due to heavy rains, lack of adequate storage facilities and promotion of vegetative growth with inhibited boll setting. On a positive note crops such as bananas, coffee, vanilla and rice benefited in terms of yield enhancement but some post-harvest problems were encountered particularly at the time of drying. 2007A season started later than usual with poor distribution of rainfall in most areas resulting in lower than normal precipitation in the month of February and March 2007. This delay and sporadic rainfall is likely to affect crop establishment and eventually performance.

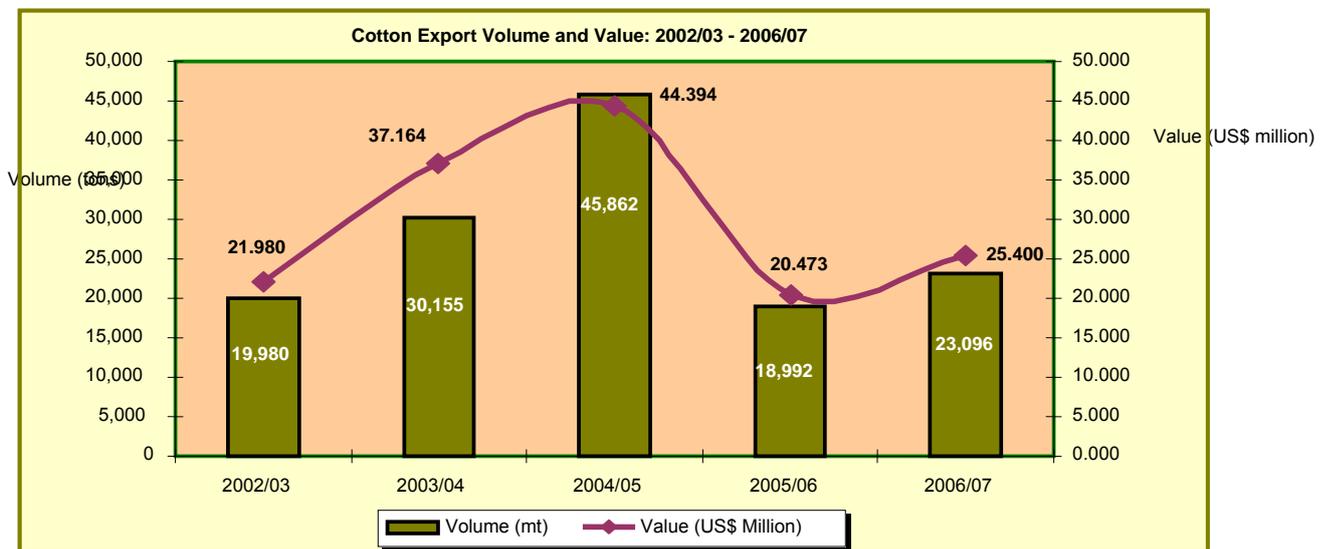
Throughout the reporting period commodity prices remained relatively high, with farm gate prices of US\$ 3,000 – 5,000 per bunch of matooke; US\$ 180-240 per kg of maize grain; US\$ 400-500 per kg of rice paddy; and US\$ 800-1,150 per kg of sesame. Cotton prices had firmed slightly on the international market resulting in farm gate prices of US\$ 450-500 in most cotton growing areas. Prices for both Robusta and Arabica coffee also remained high during the reporting period, with Kiboko (dry cherries of Robusta) prices ranging from US\$ 950 to 1,200 per kg and hulled coffee (FAQ) between US\$ 2,000 and 2,300 per kg. Arabica parchment prices in the Mt. Elgon region ranged from US\$ 2,300 to 2,600 per kg. These developments are expected to provide the necessary incentives that should result in increased adoption and production of these commodities. Prices for high value commodities – vanilla and flowers – remained depressed for much of the reporting period.

USAID APEP COMMODITY PERFORMANCE

Cotton: USAID APEP continued to work with producer corporate linkages, resulting in the development of producer organizations (POs) with raised producer confidence. Farmers

were encouraged to form POs to enhance their abilities to access input credit, undertake bulk-marketing and improve net farm gate prices. USAID APEP also attracted support of other donors and leveraged some of their resources to finance activities under the demonstrations program for the 2006/07 season. The Royal Netherlands Embassy (RNE) gave 161,898 Euros for conventional cotton demonstration related activities and 26,018 Euros for organic cotton demonstrations covering exclusively the areas of Northern and North Eastern Uganda (Lango Region) through the respective District Farmers Associations. USAID APEP also worked with sub-counties where approximately US\$150 million was provided from NAADS. This support was used to procure fertilizers, training of site coordinators and lead farmers and payment of site coordinators' allowances for ginner in Eastern, South Western and mid western regions.

The 2006/07 cotton season farmers witnessed good cotton plants particularly those planted in May and mid June 2006 that exhibited excellent boll settings and formation of higher than average boll weights for a large proportion of the crop. With concerted efforts and interventions from USAID APEP, UGCEA, CDO and other concerned parties; direct benefits from ginner-initiated productivity incentives; and improved levels of adoption of cotton agronomic practices, the industry had anticipated a cotton production season that would double that of 2005/06 (99,360 bales of lint) until the effects of El Niño disrupted the season profoundly. Most of the cotton growing areas continued to receive heavy rains when the normal cotton crop season should have been declining or ended. Farmers were faced with a major challenge during harvesting; and significant losses in production were recorded due to boll rots; lack of adequate storage facilities; and promotion of vegetative growth with inhibited boll setting. As a result, the industry performance was a modest 124,848 bales of lint (as at 19/03/2007 ACE Report) compared to an earlier industry projection of 180,000-200,000 bales. This represents 126% of what was achieved the previous year (99,360 bales of lint) and is significantly lower than 2003/04 and 2004/05 export levels as shown below.



Coffee: According to the Uganda Coffee Development Authority (UCDA) monthly reports, for the first six months of the 2006/07 coffee year (October 2006-March 2007), Uganda's coffee exports totalled 1.46 million 60-kg bags, equivalent to 87,518 mt (with Robusta accounting for 77% of the export volume) valued at US\$131,261,226. This represents an overall increase of 41% and 47% in volume and value respectively over 2005/06. The increase in volume is attributed mainly to favourable weather conditions at the critical time of bean formation coupled with good farm gate prices and adoption of improved management practices.

During the reporting period, USAID APEP focused its activities and resources on establishing demonstration sites, training of farmers on quality improvement and improved agronomic practices, strengthening farmer-enterprise linkages, and bulking for the market as well as replanting program to replace the old and wilt affected coffee trees. USAID APEP TA worked closely with UCDA, CORI, district staff, agricultural sub-county extension staff and extension staff from the private exporters as well as the PO and DC leadership and agro-input suppliers. According to field day records, a total of 36,100 farmers that included 5,040 females benefited from both the newly established and existing demonstration sites.

The benefits of adopting improved management practices are now being realized as field observations and farmer responses indicate increased yields and improved quality. For instance, during the reporting period, farmers who used tarpaulins to dry their coffee received a premium of US\$ 200-250 per kg.

Sunflower: A total of 33,445 (31,291 with A.K. Oils & Fats (U) Ltd and 2,164 with Sanyu Agro Industries Ltd) collaborating farmers have been registered in the outgrower schemes (OGS) to-date. Of these 14,307 are women (13,358 under A.K.Oils & Fats and 949 under Sanyu Agro Industries).

During the reporting period, USAID APEP continued to collaborate with A.K. Oils & Fats (U) Ltd in Masindi, Lira, Apac, and Oyam (formally part of Apac) districts. The 31,291 collaborating farmers registered under this collaboration planted approximately 47,160 acres from the 94,320 kg of seed of PAN 7351 hybrid sunflower that was sold in the OGS during the 2006B season. A.K. Oils & Fats (U) Ltd procured 19,100 mt of sunflower grains from the farmers resulting in an income of US\$ 6.7 billion (with a net income of 2.3 billion {equivalent to US\$1.34 million} after off-setting costs of labour, seed and other inputs).

USAID APEP also continued collaboration with Sanyu Agro Industries Ltd, a relatively new company in the oil milling industry. The company operates in Nebbi district, where an outgrower scheme of about 2,154 collaborating farmers has been developed. Sanyu made available 1,700 kg of the PAN 7351 hybrid sunflower seed to plant 850 acres. However, the 2006B season being the first time of such intervention in the area, only about 100 kg of seed were bought by farmers and only 50 acres were planted. At the end of the 2006B season, 17,169 kg of sunflower grains were procured by Sanyu Agro Industries Ltd resulting in a gross income of US\$ 6.9 million to the collaborating farmers. In the 2007A season, 1,300 kg of the PAN 7351 hybrid sunflower seed will be made available for sale to farmers for production. This is expected to plant approximately 650 acres.

The two companies, A.K. Oils & Fats (U) Ltd and Sanyu Agro Industries Ltd, continue to provide a full range of support services to the collaborating farmers registered in their respective OGSs using the USAID APEP extension model.

Sesame: During the 2006B season, USAID APEP continued collaboration with four (4) sesame trading companies namely; Olam (U) Ltd and CARE Uganda/Nile Pro Consult Ltd/UNO Trading Co. Ltd in West Nile region (Nebbi, Arua and Yumbe districts); and Outspan Enterprises Ltd (Northern Uganda Eco Organic Ltd) and Lango Organic Farming Promotion/Shares! (U) Ltd in the Lango/Teso region (Kaberamaido, Apac, Oyam and Lira districts).

About 11,838 farmers were exposed to improved production practices through the low external input technology transfer sites. The low external input sites demonstrated proper agronomic and post-harvest handling practices. The average yield obtained from the technology transfer sites was 275 kg per acre compared to the traditional crop production system, which yields between 120 and 170 kg per acre. The companies involved in

promoting sesame continue to provide a full range of support services to the collaborating farmers registered in their respective OGSs using the USAID APEP extension model.

Upland Rice: USAID APEP continued to work with various partners (JICA, NAADS, A2N SG 2000 UNDP, Office Of The Vice President, SOS–Gulu program, ICR, Caritas SOMED, CERDUB, CMF, PMA, AAH, OPM, UNHCR, CBOs, rice processing companies, traders and farmers through its demonstration and technical assistance program. A total of 2,581 demonstration sites (each between ½-1 acre) were established with a cumulative 41,818 farmers being trained in upland rice production by end of March 2007. The market driven approach/model promote by USAID APEP is being fully adopted by most collaborators where USAID APEP has provided TA. At the national level, area under upland rice production has increased from a low of 5,000 ha in 2001 to 36,000 ha in 2006.

The upland rice initiative was able to attract a new micro-finance institution Commercial Micro Finance (CMF) into production agricultural lending for the first time with 48 rice farmers benefiting in Bukedea district. To complement the rice financing program, USAID APEP was able to introduce an input credit system for the beneficiaries of the CERDUEB and CMF financing by availing rice seed, fertilizers and herbicide to the farmers on credit through designated local input stockists. USAID APEP assisted in the formation of a one-stop input centre for rice farmers in Kachumbala meant to assist farmers who are getting loans from the banks to be able to access genuine inputs. In its first season of operation, the Kachumbala rice centre was able to sell 22,200 kg of rice seeds, 14,000 kg of urea, 1,002 litres of Saturnil, 150 tarpaulins and 50 ULV pumps.

Maize: During the reporting period, USAID APEP provided limited TA to commercial maize farmers in the main growing areas of Kapchorwa, Mubende, Bugiri, Iganga, Kamuli and Kiboga districts. The commercial maize farmers in these areas received technical training in institutional development, crop husbandry and post-harvest handling, marketing as well as linkages to input and output suppliers and financial service providers through the Producer Organization Trainers (POTs).

Barley: 2006B season witnessed on-going collaboration between the Uganda Breweries Limited (UBL) and USAID APEP through the SAF program for the production of barley in Kapchorwa district. A total of 2,066 collaborating farmers registered in the OGS were exposed to improved production and post-harvest handling practices through 54 technology transfer sites. About 100,000 kg (Karne and Sabini varieties) of imported seed were sold to the farmers and 800 mt of grain procure, giving a value of US\$ 320 million.

Vanilla: USAID APEP continued to provide both financial and technical support to the industry through the Association of the Vanilla Exporters of Uganda (VANEX). A refresher's training of trainers course was conducted for VANEX staff and some NAADS coordinators. About 5,800 vanilla growers were exposed to improved production practices through the 60 established demonstration sites and farmers outreach extension programs. Emphasis has been put on training farmers in improved field management practices such as shade management, mulching, proper spacing, pollination, harvesting and quality control. USAID APEP, working together with VANEX, also continued with activities that aim at implementing the Code of Practice (CoP) for the Vanilla Industry.

Export records indicated that a total of 114.5 tons of cured vanilla were exported, of which 37.3 tons were air shipped while 77 tons were by sea freight. International prices for cured vanilla remained low with a range of ranged US\$12 -22 per kg. It is estimated that vanilla exports realized about US\$1.94 million during the reporting period.

Banana (Matooke): USAID APEP continued with the provision of technical assistance to banana farmers through 215 demonstration sites in nine districts. Through these sites and

farmer training, 3,000 farmers were exposed to improved banana production and maintenance practices, with about 58% being females. The prolonged rains (October 2006 – January 2007) in most places coupled with good management practices that incorporated use of inputs such as tissue materials, fertilizers, mulch and crop protection enhanced banana production. Returns from well managed demo sites indicated average bunch weights of 30 kg with extremes of 50–70kg from some parts of Bushenyi and Manafa/Mbale. Farm gate prices ranged between US\$ 3,000 and 10,000 per bunch, depending the region and size of the bunch.

With financial assistance from USAID APEP, INIBAP carried, out trials on evaluation of low-cost BBW control options at four sites in Luweero and Mukono districts using 'Pisang Awak' ('Kayinja') (AABB group) and 'Matooke'(AAA-EA group) cultivars. Through this support, INBAP is conducting a study to determine the most appropriate fallow period required to prevent re-infestation when replanting with clean planting materials. Trial plants are being observed for banana bacterial wilt symptoms and data is being collected.

Flowers: With SAF support from USAID APEP, the Uganda Flower Exporters Association (UFEA) continued to support the industry through research, training and market promotion. USAID APEP together with UFEA continued to focus on the issue of quality assurance, standards and certification. Milieu Project Sierteelt (MPS) inspections on flower farms continued. During the reporting period, MPS grades were accorded to the farms as follows; 7 farms were awarded MPS A; 2 farms MPS B; 2 farms MPS C; and 1 awarded MPS participant. Three farms temporarily stopped their participation due to reduced production caused by storm and financial problems. Rose growth trials on locally available substrate materials were completed. Preliminary results indicated Kabale volcanic cinders (stones) as the best locally available substrate¹ materials and already some flower farms have started using it.

Three farms phased out growing of roses and diversified into cut plants. The industry also experienced a reduction in rose acreage due to financial problems hence a reduction in flower exports. Export volume of both roses and cutting were 3,283 tons, with an estimated value of US\$14.12million. Through SAF, Pearl Flowers continued with its expansion and diversification into high altitude rose growing in Ntungamo, western Uganda. Construction of stores, fertigation unit, cold chain facilities, and packing station were completed. Twenty rose varieties were introduced for performance testing, and three varieties have been selected for commercial production. At the capacity building level, 18 mid-level supervisors are being trained under the Applied Tropical Floriculture (ATF) program.

PRODUCER ORGANIZATION DEVELOPMENT

The relationships between the POs and USAID APEP private sector linkages have continued to flourish and more of the private sector partners appreciate the full benefits of doing business with well managed and well organized farmer owned POs. As a result, the first half of USAID APEP's fourth year has witnessed a remarkable increase in volumes bulked and the number of POs who actively and successfully participated in bulk-marketing and input supply activities as compare the previous reporting periods. The table below demonstrates the massive increases in number of POs and crop bulked between 2004A season and 2007A season. It should, however, be noted that many of the POs, particularly those formed under the rapid PO development approach in the cotton and coffee sub-sectors comprise mainly members with small plots under cultivation. It is anticipated that as

¹ A substrate is the surface a plant or animal lives upon. It is any medium of growth other than the soil such as sawdust,

the members become more commercial, expand area under production and recognize the benefits associated with bulk-marketing, increased volumes and even larger proportions of products will be marketed through the PO set-up.

DC/PO Bulking Marketing Trends

Year	DCs	POs	Crop harvested by members (mt)	Crop Bulkied (mt)	Crop Value
2004	-	12	1,780	311	\$59,045
2005	89	609	21,290	10,712	\$2,256,761
2006	180	1,631	59,540	22,731	\$8,164,862
2007A	203	3,461	74,348	25,371	\$6,722,116

HIGHLIGHTS OF KEY ACHIEVEMENTS

The following are some of the key successes recorded during the period under review. Some of the successes were a direct result of USAID APEP interventions, while others were a result of the global market situation.

- **Coffee export volume and value on the increase:** According to UCDA monthly reports, for the first six months of the 2006/07 coffee year (October 2006-March 2007), Uganda's coffee exports totalled 1.46 million 60-kg bags, equivalent to 87,518 mt (with Robusta accounting for 77% of the export volume). This represents an overall increase of 41% and 47% in volume and value respectively over 2005/06 season. With an export earning of over US\$131 million in the first six months, it is very likely that the export value of Uganda's coffee will exceed US\$200 million during the 2006/07 season. This will be the first time since 1998/99² coffee season that Uganda has realized an export value of more than US\$200 million.
- **Agricultural finance takes root amongst rice producers:** The upland rice initiative was able to attract a new micro-finance institution - Commercial Micro Finance (CMF) into production agricultural lending for the first time. To complement the rice financing program, USAID APEP was able to introduce an input credit system for the beneficiaries of the CERDUEB and CMF financing by availing rice seed, fertilizers and herbicide to the farmers on credit through designated local input stockists. USAID APEP assisted in the formation of a one-stop input centre for rice farmers in Kachumbala meant to assist farmers who are getting loans from the banks to be able to access genuine inputs and accessible. In its first season of operation, the Kachumbala rice centre was able to sell 22,200 kg of rice seeds, 14,000 kg of urea, 1,002 litres of Saturnil, 150 tarpaulins and 50 ULV pumps.
- **PO operations continue to flourish:** Commercially oriented POs who have continued to acquire the necessary business, financial and managerial skills have been proficient in conducting rather large economic activities such as bulk marketing and bulk input supply activities. Over 3,400 POs with a total membership of over 70,900 worked together under 203 DCs, bulking over 25,000 mt of products, worth about US\$6.7 million.

PROGRESS TOWARDS LOP PMP INDICATORS

Progress towards meeting LOP PMP indicator targets is provided in the table below. From the table, it may be observed that for most of the PMP indicators, the project has made

² The 1998/99 coffee export value was US\$282 million and since then export values have declined to levels of US\$84 to 170 million per coffee year, with the lowest of US\$84 million realized in 2001/02.

tremendous progress to-date towards achieving the set targets, with about 80% to over 100% of LOP target being achieved.

USAID APEP PMP INDICATOR ACHIEVEMENTS: 2003/04 - 2006/07

Indicator	Unit of measure	Baseline Value	LOP target	2003/04	2004/05	2005/06	2006/07*	2006/07 as % of LOP Target
Average h/h income of APEP-supported producers (from APEP-supported commodities)	US\$ p.a	185.45	260.00	197.49	216.7	238.37	157.31	61%
% change(over baseline) in h/h income of APEP-supported producers	%	0	40%	6%	17%	29%	-15%	--
# of h/h supported by APEP	No	0	250,000	165,000	204,603	269,494	271,268	109%
# oh h/h with disability supported by APEP	No	0	5,000	0	1,358	2,471	2,915	58%
# of on- & off-farm jobs created	No	0	80,000	13,347	30,219	67,901	73,597	92%
# of on- & off-farm enterprises created	No	0	600	311	495	771	897	150%
Total production of APEP-supported crops								
- coffee	mt	160,000	200,000	151,383	150,113	120,139	87,518	44%
- cotton	mt	29,250	64,750	30,155	46,620	18,382	23,096	36%
- sunflower	mt	10,000	40,000	10,600	16,000	25,700	19,120	48%
- rice	mt	100,000	160,000	113,000	147,000	173,000	136,000	85%
- maize	mt	315,000	750,000	550,000	620,000	580,000	265,000	35%
- flowers	mt	4,424	7,000	6,284	7,286	7,596	3,283	47%
- banana	mt	8,000,000	11,000,000	8,200,000	8,500,000	8,350,000	4,300,000	39%
- green vanilla beans	mt	135	185	138	75	229	115	62%
Yields of APEP-supported crops (obtained from adopters)								
- coffee	mt/acre	0.290	0.500	0.350	0.600	0.450	0.460	92%
- cotton	mt/acre	0.200	0.600	0.460	0.525	0.250	0.285	48%
- sunflower	mt/acre	0.300	0.800	0.600	0.650	0.600	0.650	81%
- rice	mt/acre	0.350	0.800	0.720	1.200	1.500	1.600	200%
- maize	mt/acre	0.550	2.000	1.500	1.500	1.600	1.750	88%
- flowers	mt/acre	11.000	15.000	12.000	12.500	13.250	13.400	89%

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- banana	mt/acre	5.850	9.000	7.260	12.000	11.760	12.000	133%
- green vanilla beans	mt/acre	0.250	0.400	0.250	0.300	0.350	0.375	94%
Unit cost of production of APEP-supported crops								
- coffee	US\$/kg	0.270	0.180	0.245	0.206	0.229	0.229	79%
- cotton	US\$/kg	0.310	0.200	0.290	0.237	0.260	0.260	77%
- sunflower	US\$/kg	0.250	0.140	0.156	0.141	0.121	0.121	116%
- rice	US\$/kg	0.400	0.200	0.238	0.209	0.187	0.187	107%
- maize	US\$/kg	0.080	0.060	0.072	0.065	0.066	0.066	91%
- flowers	US\$/kg	n.a	n.a	n.a	n.a	n.a	n.a	n.a
- banana	US\$/kg	0.030	0.020	0.027	0.022	0.013	0.013	154%
- green vanilla beans	US\$/kg	0.700	0.550	0.633	0.626	0.650	0.650	85%
Value of targeted commodities marketed by APEP clients	US\$	106,000,000	150,000,000	112,448,014	122,277,184	192,910,800	47,365,500	32%
% change in value of targeted commodities marketed by APEP clients over baseline	%	0	40%	6%	15%	82%	-75%	-189%
Volume of targeted commodities marketed by APEP clients	mt	615,000	800,000	662,972	681,411	752,014	126,414	16%
% change in volume of targeted commodities marketed by APEP clients	%	0	30%	8%	11%	22%	-83%	-277%
Gross revenue of off-farm enterprises supported by APEP	US\$	140,000,000	225,000,000	151,482,439	166,340,898	212,201,880	52,102,050	23%
% change (over baseline) in gross revenue of off-farm enterprises supported by APEP	%	0	60%	8%	19%	52%	-75%	-126%
No of input suppliers serving APEP clients	No	0	400	177	281	472	571	143%
No of local credit service points reaching APEP clients	No	0	30	8	24	28	30	100%
Amount of credit provided to APEP-supported clients	US\$	612,000	900,000	830,867	1,404,485	1,953,685	1,300,073	144%
% change in amount of credit provided to APEP clients	%		45%	36%	129%	219%	-33%	-74%
No of APEP-supported firms exporting agricultural products	No	0	100	19	68	74	75	75%
No of agricultural processors supported by APEP	No	0	50	20	52	60	61	122%
Output value of APEP-supported processors	US\$	65,331,921	130,000,000	65,331,921	87,984,372	146,221,505	76,500,000	59%

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% change in output value of APEP-supported processors	%		100%	0%	35%	124%	-48%	-48%
No of APEP-supported firms managing outgrower schemes	No	0	25	7	12	12	14	56%
No of farmers involved in APEP-supported outgrower schemes	No	0	125,000	12,402	29,287	51,331	61,500	49%
No of public/private partners developed by APEP	No	0	125	29	32	40	40	32%
Amount of private sector resources leveraged through partnerships	US\$	0	6,000,000	1,442,203	3,171,332	11,580,464	12,171,553	203%
No of Depot committees (DCs) strengthened**	No	0	200	30	89	180	203	102%
No of producer organizations (POs) strengthened by APEP	No	0	200	290	763	1,631	3,461	1731%
Average group membership per PO	No	20	40	22	25	27	25	63%
% change in group membership of APEP-supported producer organizations	%	0	100%	10%	25%	35%	-7%	-7%
No of APEP-supported producers using improved technologies/practices	No	0	150,000	18,215	105,239	170,660	178,641	119%
Area cultivated using improved technologies	acres	0	150,000	74,078	99,880	142,363	102,813	69%
No of key policy/institutional constraints alleviated through APEP intervention	No	0	10	0	2	3	3	30%
No of key policy constraints that have been addressed through APEP intervention	No	0	15	2	5	7	7	47%
No of individuals trained by APEP in disciplines related to private sector agric	No	0	365,000	168,107	215,864	261,881	271,115	74%
No of individuals completing internships with private sector firms through APEP support	No	0	200	47	97	156	156	78%
No of biotech/biosafety regulations improved and in place	No	0	3	0	1	2	2	67%
No of APEP-funded research contracts implemented by public sector bodies	No	0	25	4	6	7	7	28%

* Figures for 2006/07 are only for half the year. Achievements as percent of LOP targets should therefore be considered in light of the fact that the 2006/076 figures are for half the year only.

* The previous indicator about producer organizations has been replaced with the concept of depot committees (which is an aggregate of POs)

MAIN REPORT

INTRODUCTION

The USAID-funded Agricultural Productivity Enhancement Program (USAID APEP) aims to expand rural economic opportunities in the agricultural sector by increasing food and cash crop productivity and marketing. USAID APEP builds on sector successes with added emphasis on creating economies of scale that catalyze transformation of agriculture from low input/low output, subsistence farming to commercially competitive agriculture. USAID APEP addresses targeted commodities and related systems; production-to-market transactions; improvements in input distribution, technology transfer, and producer organizations (POs); and development of competitive agricultural and rural enterprises. The project is consistent with the Government of Uganda's Poverty Eradication Action Plan (PEAP), Plan for Modernisation of Agriculture (PMA), and the Medium-Term Competitiveness Strategy (MTCS).

USAID APEP uses a commodity and intervention selection system to identify market-driven opportunities and allocate resources; and to guide its selection of commodity focus and interventions. During the reporting period, USAID APEP focused on the following commodities: cotton, coffee, upland rice, sunflower, barley, flowers, vanilla and bananas (matooke) (Annex A). The project has two additional components that address biotechnology and biosafety concerns as well as agricultural education.

During the first six months of the fourth work plan year USAID APEP continued to employ approaches to support agricultural competitiveness and commercialization. These included on the one hand, working with business and industry leaders to reach producers and on the other, working with producers to respond to market demands through PO and DC formation.

A. Organizational Structure

The organizational structure of USAID APEP is shown in Exhibit I. The project is headed by a Managing Director (MD) who acts as the chief-of-party. A monitoring and evaluation specialist works directly with the MD to implement the project performance monitoring plan (PMP). The technical core of the project comprises four units: the Commodity Commercialization Unit, the Business Expansion Unit, the Program Services Unit, and a cross-cutting Technical Support Unit:

- The **Commodity Commercialization Unit** team chooses commodities and interventions in consultation with the rest of the team, they oversee the “national business and marketing development strategies” of the “national business” commodities, and they work directly with the private sector as well as public sector and donor representatives in planning. The unit staff is divided across two portfolios. Portfolio A includes cotton, and grains & oilseeds; while Portfolio B includes coffee, flowers, vanilla and banana (matooke).
- The **Business Expansion Unit** offers supporting, specialized technical assistance services and coordination to the Commodity Commercialization Unit in PO management and commercialization.
- The **Program Services Unit** houses the Strategic Activities Fund (SAF) management and project administrative services.
- A cross-cutting **Technical Support Unit** covers biotechnology and biosafety, agribusiness finance, agricultural input supply and agricultural commercialization-focused research, education, and training.

The Chemonics Home Office (HO) provides contract management and support services through a Program Management Unit (PMU) that liaises directly with the MD.

B. Results Framework

The USAID APEP Results Framework (RF), developed jointly between the USAID APEP design team and USAID/Uganda, is presented in Exhibit II. This RF encapsulates the implementation approach of USAID APEP and is used to guide the project work planning and results monitoring.

At the highest level of the project RF is SO 7—Expanded Sustainable Economic Opportunities for Rural Sector Growth. This is the project goal. While USAID APEP is expected to contribute significantly to this goal, it does this through the project's sub-objective—increased commercialization of targeted commodities. To achieve the project sub-objective that will lead to the achievement of SO 7, USAID APEP works through three project intermediate results (PIRs). These are:

- Increased enterprise efficiencies
- Increased on-farm productivity
- Improved enabling environment.

These PIRs are further supported by sub-PIRs as shown in the RF. In this annual report, we address each sub-PIR as an objective, together with relevant life of project (LOP) targets. In the following section, we present details of the progress report for FY06 organized by PIR and objectives. Each objective has a number of benchmarks, established under the annual work plan. Under each objective, we present the LOP targets and the program strategy, and for each benchmark there is a narrative of activities undertaken, challenges and results achieved during the reporting period. For this semi-annual progress report, the period under review is from October 1, 2006 up to March 31, 2007.

Exhibit I: APEP Organizational Structure

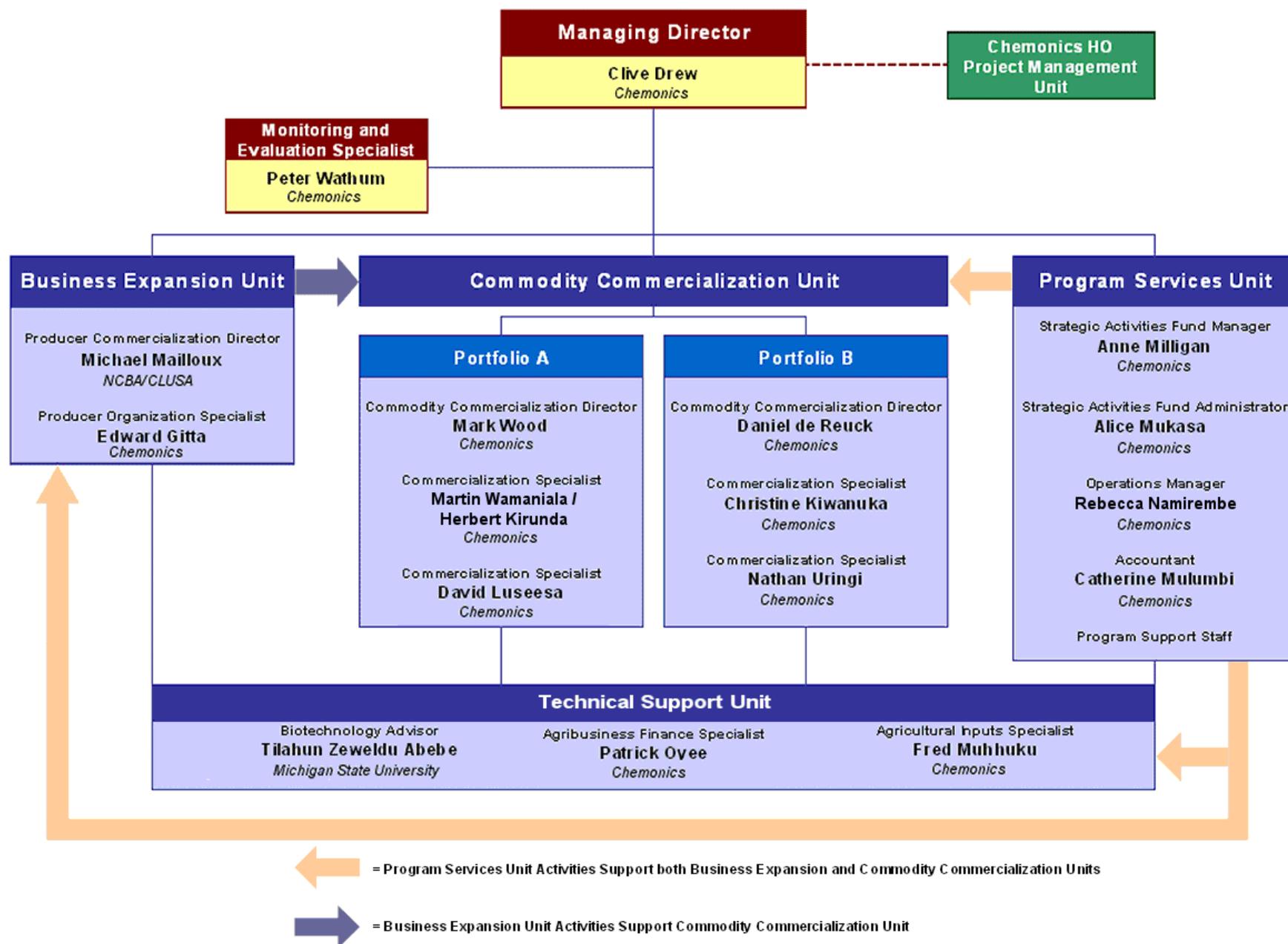
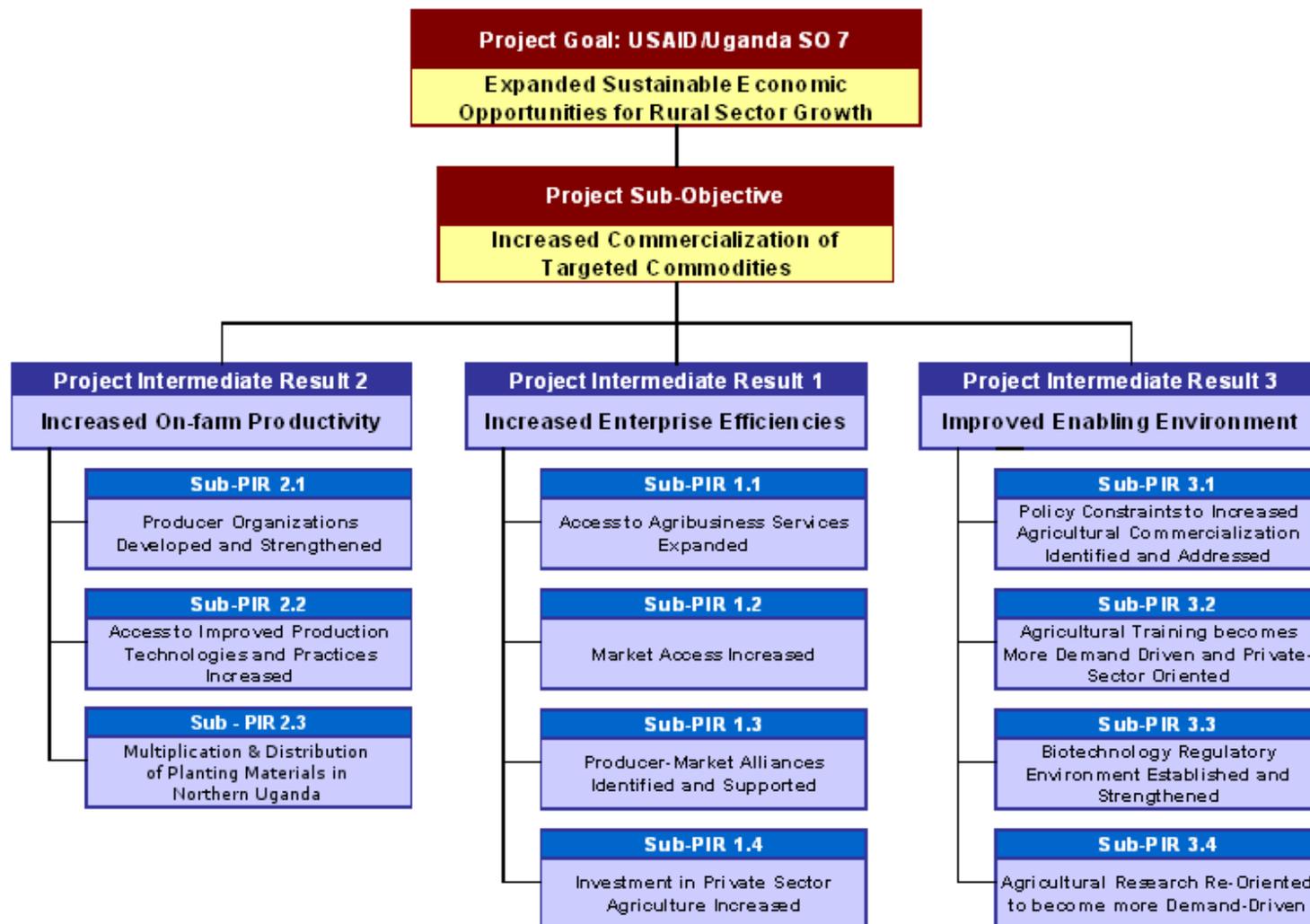


Exhibit II: APEP Results Framework



C. Overview of the Climatic Conditions and Commodity Prices

The onset of steady rains for 2006B season was delayed as dry conditions or suppressed rains persisted during September 2006 and early October 2006 over wide areas of the country. Occasional heavy rains causing destruction to lives, property and infrastructure were experienced over several places in the country towards the end of October 2006. Worst affected areas included Masindi, Nebbi, Wakiso and Kampala districts. Enhanced rainfall continued in the months of November and December 2006 as moderate El Niño conditions continued. The rains became more pronounced in parts of eastern and central regions, where heavy rains reaching flood levels were experienced in some places.

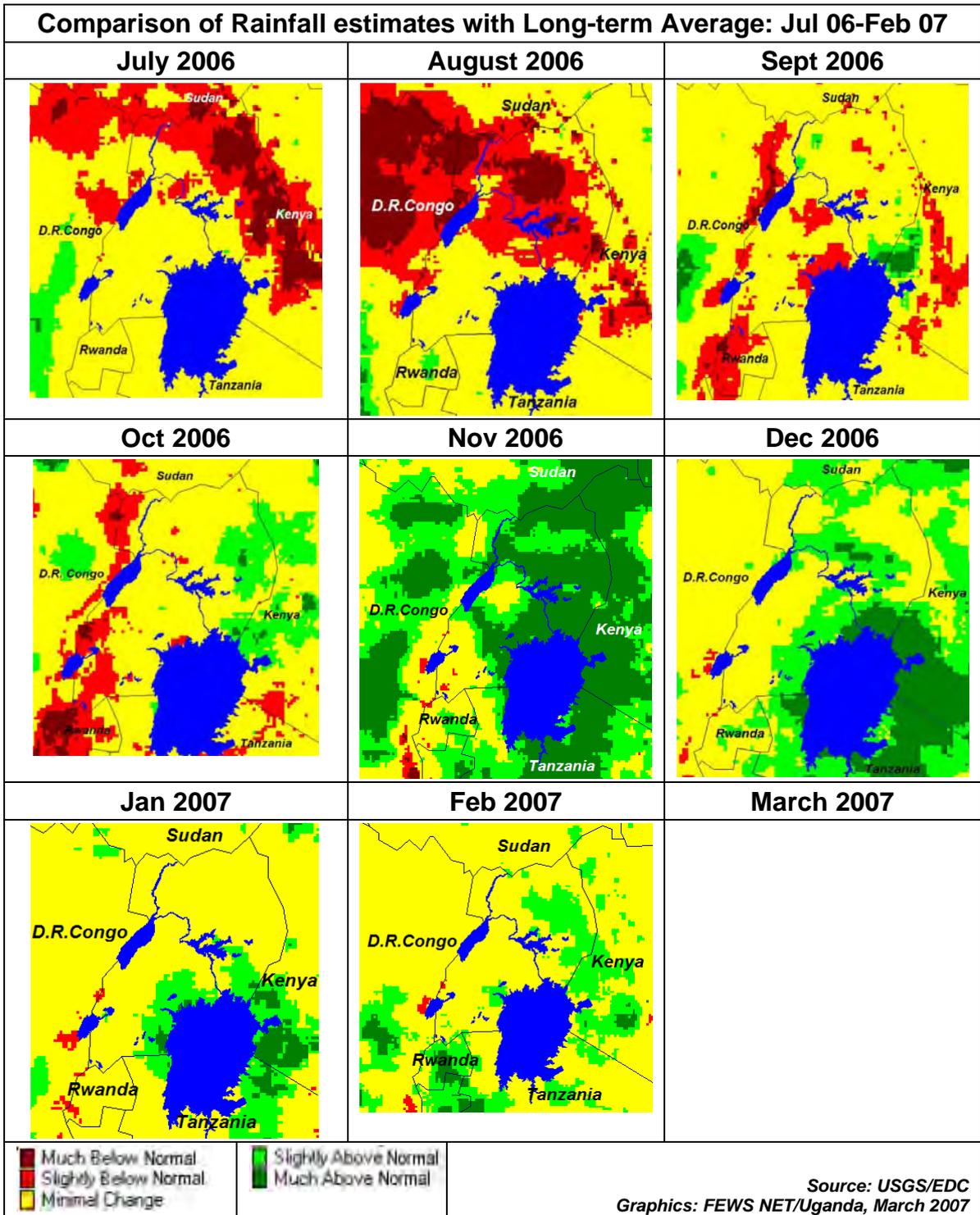
The Northern region received normal to above normal rains ranging from 150 to 227mm (78-126% of Long Term Mean (LTM)). Eastern region too received normal to above normal rains with Tororo recording 279.9mm (212% of LTM) and Soroti 163.1mm (112%). In Central and Lake Basin zones rainfall ranged from above normal to significantly below normal. Amounts recorded ranged from 41 to 183mm (37-153% of LTM). Most of Western region received near normal to significantly below normal rains with totals ranging from 53 to 79mm (48-79% of LTM).

The cessation of the season which continued in this undulated manner to late January and early February 2007 assisted crop development leading to above average production for most crops apart from the cotton growing areas which continued to receive heavy rains when the normal cotton crop season should have ended. Cotton farmers were faced with a major challenge during harvesting. Significant losses in production was recorded due to boll rots as a result of development of fungal and disease; loss of squares and bolls due heavy rains; lack of adequate storage facilities; and promotion of vegetative growth with inhibited boll setting. About 30% of the total cotton production in 2006/07 was estimated to have been lost. On a positive note crops such as bananas, coffee, vanilla and rice benefited in terms of yield enhancement but some post-harvest problems were encountered particularly at the time of drying.

2007A season started later than usual with poor distribution of rainfall in most areas resulting in lower than normal precipitation in month of February and March 2007. This has been the result of influence by a warm episode (El Niño) condition which developed in the tropical Pacific Ocean. This delay in and sporadic rainfall is likely to affect crop establishment and eventual performance.

Throughout the reporting period commodity prices remained relatively high, with farm gate prices of US\$ 3,000 – 5,000 per bunch of matooke; US\$ 180-240 per kg of maize grain; US\$ 400-500 per kg of rice paddy; and US\$ 800-1,150 per kg of sesame. Cotton prices had firmed slightly on the international market resulting in farm gate prices of US\$ 450-500 in most cotton growing areas. Prices for both Robusta and Arabica coffee also remained high during the reporting period, with Kiboko (dry cherries of Robusta) prices ranging from US\$ 950 to 1,200 per kg and hulled coffee (FAQ) between US\$ 2,000 and 2,300 per kg. Arabica parchment prices in the Mt. Elgon region ranged from US\$ 2,300 to 2,600 per kg. These developments are expected to provide the necessary incentives that should result in increased adoption and production of these commodities.

The national economy was characterized by increase in prices of most goods and services, resulting in an increase in rate of inflation. In particular, there was a steady increase in fuel prices resulting in increase in price of manufactured consumer goods, notably sugar, beef and milled products. The Uganda Shilling appreciated from US\$ 1,830 to the US\$ in October 2006 to US\$ 1,740 to the US\$ in March 2007.



D. APEP Commodity Overview

Cotton

USAID APEP has continued to work with the designated lead ginner in the 8 production zones to encourage ginners to communicate input and training needs, and extend extension services to the resource poor farmers that grow cotton in their production zones. Farmers' adoption of the cotton production technologies is driven by participation of farmers in trainings, field days and hands-on exercises at the demonstration plots established with support from USAID APEP. This partnership delivers a win-win situation for the ginners and farmers. Ginners benefit from increased supply of good quality cotton, more reliable supply

of cotton, greater loyalty of farmers and greater operational efficiency. Farmers benefit from increased production and profits, greater knowledge of the market, a guaranteed buyer and sophisticated production techniques.

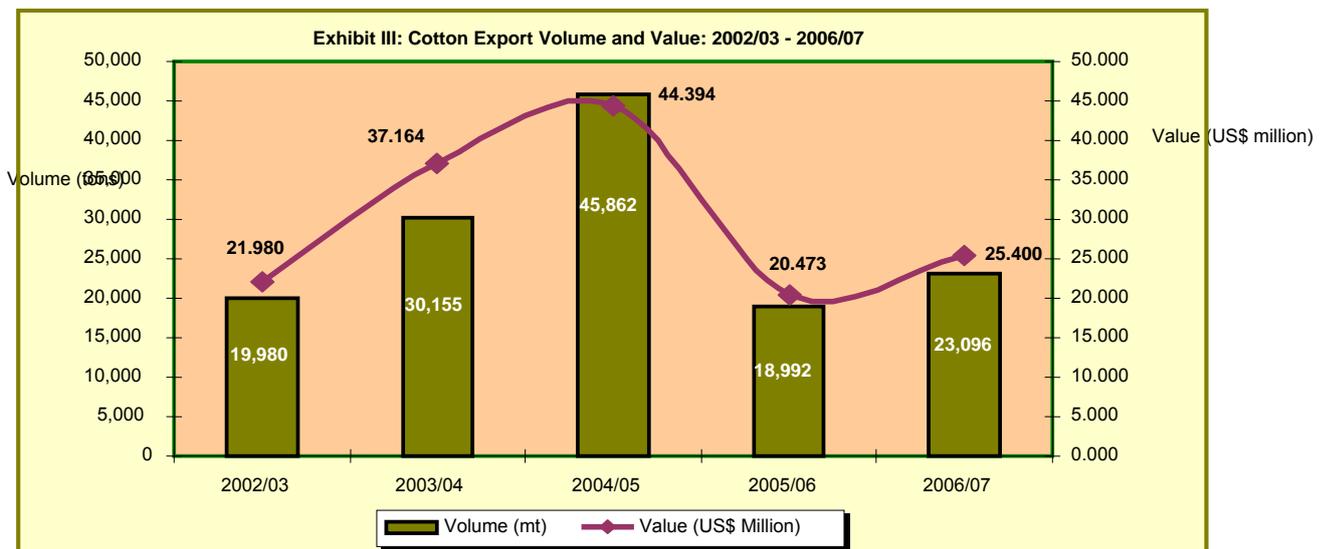
USAID APEP TA worked with producer corporate linkages, resulting in the development of producer organizations with raised producer confidence. Farmers were encouraged to form producer organizations (POs) to enhance their abilities to access input credit, undertake bulk marketing and improve net farm gate prices. 861 POs were formed in the organic cotton. Additionally the 1,500 producer groups formed in Teso and Tororo have been instrumental in raising ginner confidence in dealing with groups. These groups too have begun to promote a change in the structure of farmer corporate linkages. In Teso for example, the ginner is now suggesting that site coordinators are no longer necessary. This is because the lead farmers are well established, and provide the critical link point between the companies and the farmers.

USAID APEP also attracted support of other donors and leveraged some of their resources to finance activities under the demonstrations program for the 2006/07 season. The Royal Netherlands Embassy (RNE) gave 161,898 Euros for conventional cotton demonstration related activities and 26,018 Euros for organic cotton demonstrations covering exclusively the areas of Northern and North Eastern Uganda (Lango Region). This total RNE support therefore, covered the districts of Arua, Nebbi, Yumbe, Adjumani and Moyo in the West Nile region, Apac, Lira, Amolatar, Kaberamaido, Pader, Kitgum and Gulu in Northern Uganda, and Katakwi, Amuria, Soroti, Kumi and Bukedea in the Teso region. USAID APEP also secured approximately US\$ 150 million from NAADS. This support was used to procure fertilizers, training of site coordinators and lead farmers and payment of site coordinators' allowances for ginner in Eastern, South Western and mid western regions.

The 2006/07 cotton season farmers witnessed good cotton plants particularly those planted in May and mid June 2006 that exhibited excellent boll settings and formation of higher than average boll weights for a large proportion of the crop. With concerted efforts and interventions from USAID APEP, UGCEA, CDO and other concerned parties; direct benefits from ginner-initiated productivity incentives; and improved levels of adoption of cotton agronomic practices, the industry had anticipated a cotton production season that would double that of 2005/06 (99,360 bales of lint) until the effects of El Niño disrupted the season profoundly. Most of the cotton growing areas continued to receive heavy rains when the normal cotton crop season should have been declining or ended.

Farmers were faced with a major challenge during harvesting; significant losses in production due to boll rots, lack of adequate storage facilities and promotion of vegetative growth with inhibited boll setting. Wet cotton harvested generated heat in the store result rotting of seeds and staining the lint yellow.

As a result, the industry performance was a modest 124,848 bales of lint (as at 19/03/2007 ACE Report) compared to an earlier industry projection of 180,000 – 200,000 bales. This represents 126% of what was achieved the previous year (99,360 bales of lint) and is significantly lower than 2003/04 and 2004/05 export levels (Exhibit III). At the farm gate level, the late declaration of the cotton farm gate prices put farmers in a very uncompromising position leading to loss of revenue due to low prices illegally declared by buying agents. In some instances farmers' seed cotton was bought as low as US\$ 350 per kg by agents who took advantage of the situation.



Coffee

According to the Uganda Coffee Development Authority monthly reports, for the first six months of the 2006/07 coffee year (October 2006-March 2007), Uganda's coffee exports totalled 1.46 million 60-kg bags, equivalent to 87,518 mt (with Robusta accounting for 77% of the export volume). This represents an overall increase of 41% and 47% in volume and value respectively over 2005/06 as shown in Exhibit IV. The improved performance in volume is attributed to the favourable weather conditions at the critical time of bean formation coupled with good farm gate price and adoption of improved management practices by some coffee farmers.

During the period under review, Kiboko (dry cherries of Robusta) prices ranged from USh. 950 to 1,200 per kg. The hulled coffee (FAQ) prices ranged from USh. 2,000 to 2,300 per kg. Arabica parchment prices in the Mt. Elgon region ranged from USh. 2,300 to 2,600 per kg. This is expected to provide the necessary incentives that should result in increased and sustained adoption of improved coffee husbandry practices.

Exhibit IV: Comparison of Monthly Coffee Export Volumes and Values: October – March 2005/06 and 2006/07

Month	2006/07		2005/06		% Change	
	Vol (60kg bags)	Val (US\$)	Vol (60kg bags)	Val (US\$)	Volume	Value
October	155,571	13,357,091	121,696	9,280,806	28	44
November	250,728	22,960,240	182,053	14,472,486	38	59
December	248,709	22,207,999	180,344	14,849,249	38	50
January	316,128	28,367,743	228,714	19,679,281	38	44
February	222,099	20,145,787	165,762	16,113,588	35	25
March	265,399	24,222,366	155,960	14,630,894	70	66
Total	1,458,634	131,261,226	1,034,529	89,026,304	41	47

Source: UCDA

USAID APEP focused its activities and resources during the reporting period on increasing and expansion of demonstration sites, training of farmers on quality improvement and improved agronomic practices, farmer-enterprise linkages and bulking for the market as well as replanting program to replace the old and wilt affected coffee trees. USAID APEP TA worked closely with UCDA, CORI, district staff, agricultural sub-county extension staff and extension staff from the private exporters as well as the PO and DC leadership and agro-input suppliers. According to field day records, a total of 36,100 farmers that included 5,040 females benefited from both the newly established and existing demonstration sites.

The benefits of adopting improved management practices are now being realized as field observations and farmer responses indicate increased yields and improved quality. For instance, during the reporting period, farmers who used tarpaulins to dry their coffee received a premium of USh 200-250 per kg. This positive economic performance has

stimulated demand for clean plantlets that has culminated in DCs, POs and Associations setting up coffee nurseries in conjunction with collaborative enterprises to replace the old and infected coffee trees. The export-enterprise-grower joint participatory coffee nursery development presents the coffee industry with one of the best alternatives as regards the distribution of coffee planting materials to growers.

Sunflower

A total of 33,445 (31,291 with A.K. Oils & Fats (U) Ltd and 2,164 with Sanyu Agro Industries Ltd) collaborating farmers have been registered in the outgrower schemes (OGS) to-date. Of these 14,307 are women (13,358 under A.K.Oils & Fats and 949 under Sanyu Agro Industries).

USAID APEP continued to collaborate with A.K. Oils & Fats (U) Ltd in Masindi, Lira, Apac and Oyam (formally part of Apac) districts. The 31,291 farmers under this scheme planted approximately 47,160 acres from the 94,320 kg of seed of PAN 7351 hybrid sunflower that was sold in the OGS during the 2006B season. During the reporting period 19,100 mt of sunflower grains were procured by A.K. Oils & Fats (U) Ltd resulting in an income of US\$ 6.7 billion (with a net income of 2.3 billion {equivalent to US\$1.34 million} after off-setting costs of labour, seed and other inputs).

The collaborating farmers registered in the A.K. Oils & Fats OGS were exposed to improved production practices through 1,428 technology transfer sites established in the operation areas. The technology transfer sites exhibited two packages namely; the high external input and low external input packages. The high external input package demonstrated proper agronomic practices including the use of improved seed "PAN 7351", Glyphosate herbicide and Diammonium phosphate fertilizer. The low external input package demonstrated proper agronomic practices without external inputs. The average yields realized from the demonstration sites were 823 kg per acre from the high input blocks and 567 kg per acre from the low input blocks. The 2007A season has witnessed further USAID APEP support to the company. 50,000 kg of the hybrid seed will be sold for sunflower production during this period. It is expected to plant approximately 25,000 acres.

There was also a continued collaboration with Sanyu Agro Industries Ltd, a relatively new company in the oil milling industry. The company operates in Nebbi district, where an outgrower scheme of about 2,154 collaborating farmers has been developed. Sanyu made available 1,700 kg of the PAN 7351 hybrid sunflower seed to plant 850 acres. However, the 2006B season being the first time of such intervention in the area, only about 100 kg of seed were bought by farmers and only 50 acres were planted. At the end of the 2006B season, 17,169 kg of sunflower grains were procured by Sanyu Agro Industries Ltd resulting in a gross income of US\$ 6.9 million to the collaborating farmers. In the 2007A season, 1,300 kg of the PAN 7351 hybrid sunflower seed will be made available for sale to farmers for production. This is expected to plant approximately 650 acres.

The two companies, A.K. Oils & Fats (U) Ltd and Sanyu Agro Industries Ltd, continue to provide a full range of support services to the collaborating farmers registered in their respective OGSs using the USAID APEP extension model.

Sesame

USAID APEP continued collaboration with four (4) sesame trading companies namely; Olam (U) Ltd and CARE Uganda/Nile Pro Consult Ltd/UNO Trading Co. Ltd in West Nile region (Nebbi, Arua and Yumbe districts); and Outspan Enterprises Ltd (Northern Uganda Eco Organic Ltd) and Lango Organic Farming Promotion/Shares! (U) Ltd in the Lango/Teso region (Kaberamaido, Apac, Oyam and Lira districts) during the 2006B season. The production of conventional sesame was promoted in West Nile while organic sesame was promoted in the Lango/Teso sub-region. Furthermore, efforts were geared towards the establishment and/or strengthening of the outgrower schemes in the respective sub-regions. A total of 41,215 collaborating farmers have been registered by the different companies for sesame production. In West Nile, Olam (U) Ltd and CARE Uganda distributed 26,500 kg of

improved seed “Sesim II variety” to collaborating farmers registered in their respective OGSs. The seed was used to plant approximately 8,830 acres. Total procurement of sesame in the two regions was 700 and 1,293 mt of conventional and organic sesame with a value of US\$ 700 million and US\$ 1.49 billion respectively.

The collaborating farmers registered in the OGSs were exposed to improved production and post-harvest handling practices through 666 technology transfer sites established in the West Nile and Lango/Teso sub-regions. About 11,838 farmers were exposed to improved production practices through the low external input technology transfer sites. The low external input sites demonstrated proper agronomic and post-harvest handling practices. The average yield obtained from the technology transfer sites was 275 kg per acre compared to the traditional crop production system, which yields between 120 and 170 kg per acre.

The companies involved in promoting sesame continue to provide a full range of support services to the collaborating farmers registered in their respective OGSs using the USAID APEP extension model.

Upland Rice

USAID APEP continued to work with various partners (JICA, NAADS, A2N SG 2000 UNDP, Office Of The Vice President, SOS–Gulu program, ICR, Caritas SOMED, CERDUB , CMF Plan for Modernizing Agriculture (PMA),AAH,OPM, UNHCR, CBOs, rice processing companies, traders and farmers through its demonstration and technical assistance program to achieve the goal of reducing rice imports by 40% and increasing quantity and quality of Ugandan rice in the next five years. USAID APEP through its SAF program supported 4 rice processing companies to enhance their production capacity by providing Technical assistance and demonstrations to farmers in 7 districts of Bukedea, Kyenjojo, Gulu, Hoima, Masindi, Nakaseke and Kibaale .

USAID APEP undertook a partnership with the Office of the Prime Minister, through the former provided training and setting up demonstration sites in the refugee resettlement camps in Kyaka.

USAID APEP and Office of the Vice President is also piloting a sustainable smallholder agriculture program in Nakaseke, in which farmers use upland rice as a jump-start enterprise but also involve other profitable farming enterprise to generate daily income or revenue, such as improved coffee production, fish farming and dairy cattle. USAID APEP has been appointed as a technical advisor on the Uganda NERICA promotion by FAO /JICA. USAID APEP’s role is to advise the steering committee on technical issues in the promotion of NERICA in Uganda.

At the entrepreneur level, a local input supplier, Keith Associates who had been assisted by USAID APEP under the PL-480 ATTAIN guarantee program to avail farmers with affordable herbicides (Saturnil 60 EC) sold a total of 3,500 litres worth US\$40,250.

A total of 2,581 demonstration sites (each between ½-1 acre) were established with a cumulative total 41,818 farmers being trained in upland rice production by end of March 2007. The market driven approach/model promote by USAID APEP is being fully adopted by most collaborators where USAID APEP has provided TA. At the national level, area under upland rice production has from a low of 5,000 ha in 2001 to 36,000 ha in 2006.

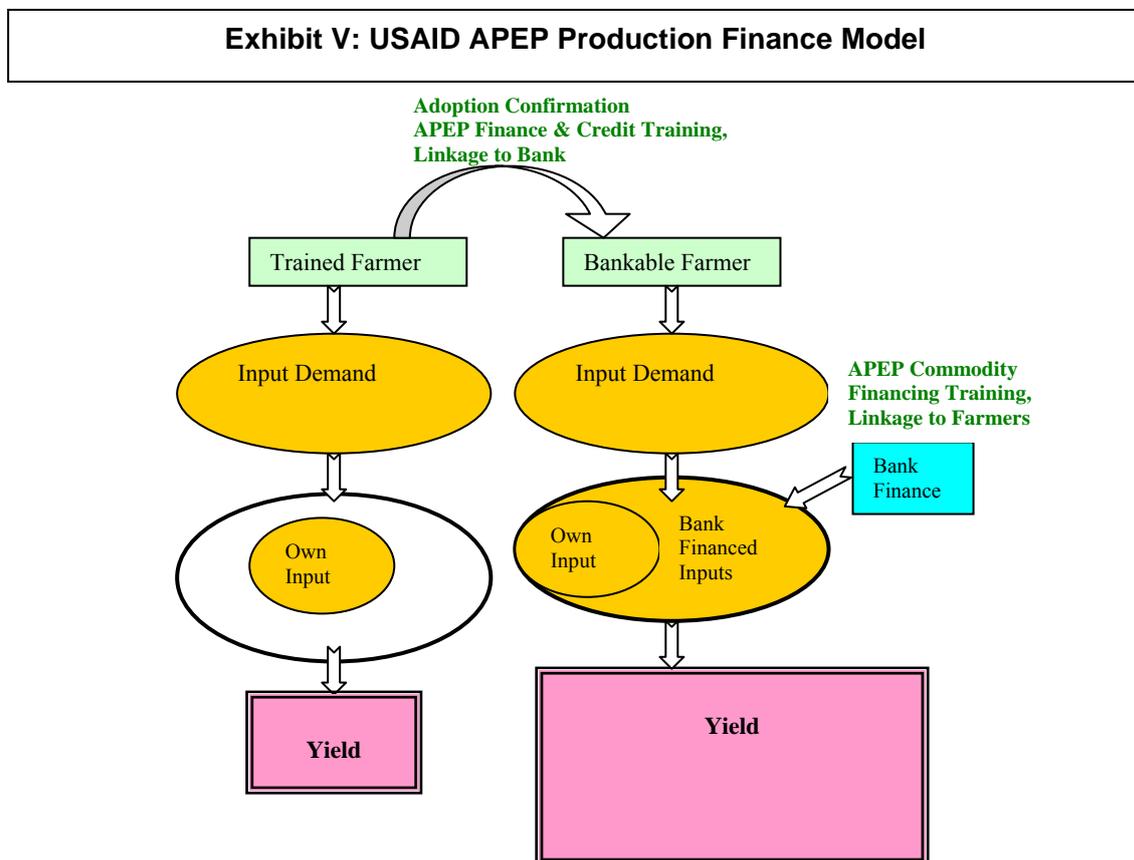
The upland rice initiative was able to attract a new micro-finance institution Commercial Micro Finance (CMF) into production agricultural lending for the first time with 48 rice farmers benefiting in Bukedea district. To complement the rice financing program, USAID APEP was able to introduce an input credit system for the beneficiaries of the CERDUEB and CMF financing by availing rice seed, fertilizers and herbicide to the farmers on credit through designated local input stockists. USAID APEP assisted in the formation of a **one-stop input centre** for rice farmers in Kachumbala meant to assist farmers who are getting

loans from the banks to be able to access genuine inputs. In its first season of operation, the Kachumbala rice centre was able to sell 22,200 kg of rice seeds, 14,000 kg of urea, 1,002 litres of Saturnil, 150 tarpaulins and 50 ULV pumps.

The credit for inputs was successfully recovered directly from loan funds in case of CMF and indirectly from farmers in the case of CERUDEB. This system has tremendous advantages to the scheme that include:

- Easy access to inputs
- Competitive pricing of inputs due to supplier linkage
- Time availability of inputs (even before loan disbursement)
- Guaranteed quality and quantity of inputs
- Reduced risk of diversion of funds

The success of the agricultural finance in general is based on the principal of creation of demand for off-farm inputs caused by adoption of improved practices as prescribed through the USAID APEP technology transfer program illustrated in Exhibit V below.



Maize

Maize technology packages received support from IDEA and USAID APEP for 10 years so the project is now in an exit mode as far as conventional support is concerned. During the reporting period, USAID APEP provided limited TA to commercial maize farmers in the main growing areas of Kapchorwa, Mubende, Bugiri, Iganga, Kamuli and Kiboga districts. The commercial maize farmers in these areas received technical training in institutional development, crop husbandry and post-harvest handling, marketing as well as linkages to input and output suppliers and financial service providers through the Producer Organization Trainers (POTs).

Barley

2006B season witnessed on-going collaboration between the Uganda Breweries Limited (UBL) and USAID APEP through the SAF program for the production of barley in Kapchorwa district. A total of 2,066 collaborating farmers were registered in the outgrower scheme and approximately 2,000 acres planted with barley. About 100,000 kg (Karne and Sabini varieties) of imported seed were sold on credit to collaborating farmers during the season. About 800 mt of grain were procured giving a value of US\$ 320 million.

The collaborating farmers were exposed to improved production and post-harvest handling practices through 54 technology transfer sites. The technology transfer sites exhibited two packages namely; the high external input and low external input packages. The high external input package demonstrated proper agronomic practices including the use of a selective herbicide Buctril (as well as the PERSUAP replacement product for 2008, Hussar Iodosulphuron-methyl-sodium), Diammonium phosphate and Urea fertilizers, and a fungicide Folicur 250EC (Tebuconazole - PERSUAP approved). The low external input package demonstrated proper agronomic practices without external inputs except a fungicide Folicur 250EC. The average yields realized from the demonstration sites were 1,365 and 544 kg per acre from the high and low input blocks respectively.

USAID APEP has continued to collaborate with UBL Kapchorwa district with an expansion made into Bukwo district in the promotion of barley production. Technical training was provided to 111 farmers to establish and manage 100 technology transfer sites rolling out improved practices to the rest of the farming community.

Vanilla

USAID APEP continued to provide both financial and technical support to the industry through the Association of the Vanilla Exporters of Uganda (VANEX). A refresher's training of trainers course was conducted for VANEX staff and some NAADS coordinators. About 5,800 vanilla growers were exposed to improved production practices through the 60 existing demonstration sites and farmers outreach extension programs. Emphasis has been put on training farmers in improved field management practices such as shade management, mulching, proper spacing, pollination, harvesting and quality control. VANEX extension services have reached out to more farmers through weekly radio programs on three radio stations (CBS FM, VOT FM and Kiira FM). USAID APEP, working together with VANEX, continued with activities that aim at implementing the Code of Practice (CoP) for the Vanilla Industry.

Export records indicated a total of 114.5 tons of cured vanilla were exported, of which 37.3 tons were air shipped while 77 tons were sea freight. International prices for cured vanilla remained low with a range of US\$12 -22 per kg. It is estimated that vanilla exports realized about US\$1.94million during the reporting period.

Banana (Matooke)

USAID APEP continued with the provision of financial and technical assistance to banana farmers through 215 demonstration sites in nine districts. Through these sites and farmer training, 3,000 farmers were exposed to improved banana production and maintenance practices, with about 58% being females. The prolonged rains (October 2006 – January 2007) in most places coupled with good management practices that incorporated use of inputs such as tissue materials, fertilizers, mulch and crop protection enhanced banana production. Returns from well managed demo sites indicated average bunch weights of 30 kg with extremes of 50–70kg from some parts of Bushenyi and Manafa/Mbale. Farm gate prices ranged between US\$ 3,000 and 10,000 per bunch, depending the region and size of the bunch. Several farmers under establishment program sold out suckers to collaborating farmers at a price range of US\$ 300 and 1,000 per sucker. With persistence of the BBW outbreak, coupled with banana weevil and nematode infestation, availability of clean planting materials remains a big challenge.

With financial assistance from USAID APEP, INIBAP carried out trials on evaluation of low-

cost BBW control options at four sites in Luweero and Mukono districts using 'Pisang Awak' ('Kayinja') (AABB group) and 'Matooke' (AAA-EA group) cultivars. INBAP completed activities that included management practices i.e. de-budding with forked sticks, bagging with plastics, destruction of the diseased mats. From data collected, INIBAP is conducting an economic viability analysis of the different control options to come up with a technology package that will be disseminated through the farmers' groups. Furthermore the project continued with the activities of rehabilitation of heavily diseased plots. A study to determine the most appropriate fallow period required to prevent re-infestation when replanting with clean planting materials was conducted. Trial plants are being observed for banana bacterial wilt symptoms and data is being collected.

Flowers

With SAF support from USAID APEP, the Uganda Flower Exporters Association (UFEA) continued to support the industry through research, training and market promotion. USAID APEP together with UFEA continued to focus on the issue of quality assurance, standards and certification. Milieu Project Sierteelt (MPS) inspections on flower farms continued. . During the reporting period, MPS grades were accorded to the farms as follows; 7 farms were awarded MPS A; 2 farms MPS B; 2 farms MPS C; and 1 awarded MPS participant. Three farms temporarily stopped their participation due to reduced production caused by storm and financial problems. Rose growth trials on locally available substrate materials were completed. Preliminary results indicated Kabale cinders (stones) as the best locally available substrate materials and already some flower farms have started using it. Three farms phased out growing of roses and diversified into cut plants. The industry also experienced a reduction in rose acreage due to financial problems hence a reduction in flower exports. Export volume of both roses and cutting were 3,283 ton, with an estimated value of US\$14.12million.

Pearl Flowers continued with its expansion and diversification into high altitude rose growing in Ntungamo, western Uganda. Construction of stores, fertigation unit, cold chain facilities, and packing station were completed. Twenty rose varieties were introduced for performance testing, and three varieties have been selected for commercial production. At the capacity building level, 18 mid-level supervisors are being trained under the Applied Tropical Floriculture (ATF) program.

E. Producer Organization Strengthening

The USAID APEP PO Trainers have successfully continued to impart the organizational, managerial and business skills to PO executive and members over the reporting period to enable business oriented POs do business with USAID APEP's private sector partners. Commercially oriented POs who have continued to acquire the necessary business, financial and managerial skills have been proficient in conducting rather large economic activities such as bulk marketing and bulk input supply activities.

The relationships between the POs and USAID APEP private sector linkages have continued to flourish and more of the private sector partners appreciate the full benefits of doing business with well managed and well organized farmer owned POs. As a result, the first half of USAID APEP's fourth year has witnessed a remarkable increase in volumes bulked and the number of POs who actively and successfully participated in bulk-marketing and input supply activities as compare the previous reporting periods. The table below demonstrates the massive increases in number of POs and crop bulked between 2004A season and 2007A season. It should, however, be noted that many of the POs, particularly those formed under the rapid PO development approach in the cotton and coffee sub-sectors comprise mainly members with small plots under cultivation. It is anticipated that as the members become more commercial, expand area under production and recognize the benefits associated with bulk-marketing, increased volumes and even larger proportions of products will be marketed through the PO set-up.

Exhibit VI: DC/PO Bulking Marketing Trends

Year	DCs	POs	Crop produced by members (mt)	Crop Bulkied Tons	Crop Value
2004	-	12	1,780	311	\$59,045
2005	89	609	21,290	10,712	\$2,256,761
2006	180	1,631	59,540	22,731	\$8,164,862
2007A	203	3,461	74,348	25,371	\$6,722,116

This significant performance can be accredited to the following factors:

- During the reporting period a profound emphasis continued to be placed on getting as many POs as possible under a larger secondary structure called a Depot Committee (DC).. The DC structure allowed ever larger volumes of crop to be marketed. Several commodity buyers were able to reduce their marketing costs and hence offered much more attractive prices, with farmers working together under DCs making an extra 5%-30% per kg compared to individual farmers.
- The field collaborations between the PO Trainers and the private sector partners have also contributed to this encouraging result. For example, the success accruing from working with organized DCs in terms of crop quality, transaction cost reductions, marketing efficiencies has moved a number of key coffee buying companies to change their coffee buying strategy and move towards working with organized farmers. In Kamuli, Luwero, and Bigasa, Ibero has continued to buy coffee from only organized farmers. Other coffee buyers are following a similar trend. These include Kyagalanyi in Mukono, Olam in Luwero, Ugacof in Iganga, Kamuli and Kinoni as well as Ankole Coffee in Mbarara and Ibanda. This trend is also industry driven as more buyers tend to penetrate specialized markets like Utz Kapeh.
- A lot of effort was put in getting the Depot Committees (DCs) to start economic activities even if they had not gone through all of the institutional and organizational training sessions. They have also been guided to actively get involved in savings and internal capitalization of their DCs.
- More and more corporate partners across all commodities have appreciated the value of working with organized farmers instead of individual farmers. As a result, they have got involved in organizing farmers and doing business with POs. A good number of corporate partners in the cotton sub-sector have supported DCs and POs members who have planted early with incentives including free insecticide sprays to enhance productivity. This trend is encouraging and a stepping stone for sustainability and continuity after USAID APEP.

PROGRESS BY PROJECT INTERMEDIATE RESULTS

Overall project progress to-date towards meeting LOP targets are shown in Annex B. The achievements (some of which are as high as 85%-100% of LOP targets) have been made possible by a combination of factors that are highlighted in the sub-sections under the various Project Intermediate Results (PIRs). The sections that follow review progress by objective for the reporting period. Under each objective are the LOP targets and strategies adopted by USAID APEP. These are then followed by a narrative of each benchmark (highlighted in a box) under a specific objective. Against each benchmark is an overall rating of achievement to-date³ (given as % of the annual target).

A. PIR 1. Increased Enterprise Efficiencies

LOP 600 new off-farm enterprises

LOP 60% Change in the total gross revenue received by off-farm enterprises

An important strategy to achieving the overall USAID APEP goal is working with enterprises to increase their capabilities to support commercialization and participation in commercialization of agricultural commodities. PIR 1 is designed to address this part of the commodity chain. Objectives 1 to 4 are designed to generate results that contribute to the achievement of this PIR. Most off-farm enterprises created comprise process and aggregation functions. This generally involves small enterprise close to the farmer at the producer organization level or slightly higher. For some commodities such as rice and cotton, processing enterprises are created at the highest level.

Objective 1: Expand Access to Agribusiness Services
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LOP 400 Input suppliers providing services to USAID APEP supported farmers and groups

LOP 30 Local credit service points providing commercial agriculture credit established

LOP 45% Change in total amount of commercial agriculture credit provided

- **Strategy:** Increased access to agribusiness services, including input delivery and financial services, implies working on both the supply and demand sides. During the period under review, USAID APEP worked with individual farmers and farmer groups to promote increased use of and demand for appropriate services and inputs. USAID APEP also worked with service providers to improve their capability to deliver quality services to clients. Activities in regard to improving access to rural finance as well as support to the structured trade finance opportunities continued to be emphasized through commercial farmer associations, producer organizations, and their depot committees. Support to the emerging Agri-Input Dealers network as well as the seed sector continued to reinforce the sustainability of the input sectors. Emphasis was placed on corporate partners who have adopted the extension methodology of the project to ensure that they are able to continue at least the core of the partnership activity in the absence of direct USAID APEP TA following the project close out.

The challenges regarding expanding access to agribusiness services revolve around the basic challenge of stimulating a critical mass of commercializing farmers. These farmers must be in a position to demand and effectively utilize the agribusiness services provided. This applies equally to the supply of inputs through stockist outlets and to financial services provided by rural financial service providers. If an individual farmer is not commercialized in terms of production efficiency he/she is unlikely to be able to utilize inputs effectively and therefore will not be producing at a level required

³ This reporting period is a semi-annual period covering the first six months (October 2006 – March 2007) of the fourth work plan year.

to service debt of any kind. It is also critically important that sufficient number of growers be stimulated to demand services in a concentrated area. This will drive efficient business for the service providers.

The key to the mobilization is producer confidence. This is driven by a combination of farm gate price, production efficiency and market linkages. These are dependant on support to all levels of the value chain – corporate, input supply, producer organizations as well as the individual farmers. Without attention to all these in parallel, it is unlikely that agribusiness services will expand.

Benchmark 1.1: At least 100 new input supply stockists (cumulative 400) trained and linked to suppliers by 9/30/2007
 ~ 99 new input supply stockists trained and linked to suppliers and distributors (99% accomplished).

During the period under review, stockist development was concentrated in the banana/coffee growing areas because it had been realized that use of improved inputs was still relatively low among these farmers compared to, say, those growing annual food crops. Through intensified training by USAID APEP commodity specialists and collaborating extension workers, the demand for inputs has increased to an extent that required project intervention in developing input supply systems in these areas to improve accessibility. A series of trainings were held involving a few rural-based individuals who had expressed interest in input business depot committee members, lead farmers, and other potential stockists. Of the 341 trained, 99 have developed into stockists and have been successfully linked to input suppliers and distributors.

In addition to the USAID APEP trainings, there were two other training series conducted in collaboration with some of USAID APEP partners. In October 2006, trainings were conducted in Soroti, Lira, Nebbi and Arua, in collaboration with UNFFE and the District Farmers Associations, and they were funded by the Royal Netherlands Embassy (RNE). A total of 145 potential new stockists were trained. In December 2006, training was conducted in Moyo and Lira, involving 52 stockists in ASPSP Voucher Program areas. This is an advanced course in business management to develop the capacity of established stockists participating in the voucher program. It was sponsored by UNADA in collaboration with AT Uganda.

Benchmark 1.2: At least 12 agri-input stockist monthly newsletters (cumulative 33) produced and distributed by 9/30/2007
 ~ 6 agri-input stockist monthly newsletters produced and distributed (50% accomplished).

This activity is moving on smoothly and the newsletters are being printed and distributed on a monthly basis. There is growing interest in the newsletter and stakeholders regard it as providing useful information. One of the key challenges is how to achieve more widespread dissemination in rural areas for the benefit of rural stockists.

USAID APEP has been liaising with the Uganda Agri-input Dealers' Association (UNADA) in dissemination of the newsletter but now UNADA is planning to start a quarterly newsletter of its own. Negotiations are going on to undertake a joint newsletter with UNADA with a view to having UNADA completely take over this activity as USAID APEP winds up. This will ensure sustainability of this crucial market service.

Benchmark 1.3: At least 5 new agricultural financial service provider branches (cumulative 32) providing services to USAID APEP clients by 9/30/2007
 ~ 3 new (30 cumulative) financial service provider branches providing services to APEP clients (60% of annual target and 94% of cumulative target accomplished).

Three new financial service outlets commenced lending to USAID APEP clients during the reporting period in addition to the cumulative 27 financial service points as of end of the last reporting period. Thus in total, 30 financial service provider outlets were involved in providing financial services to USAID APEP clients during the period under review

The 3 outlets are: CERUDEB Fort Portal with Production Credit, and CMF Pallisa with Upland rice Production lending in Kabarole and Bukedea districts respectively; and Bank of Africa with Trade Finance to Victoria Seeds. Description of the different types of financial services offered at all the 30 cumulative service points is provided below:

- **Production Credit:** (20 Outlets) In addition to 12 branches of CERUDEB, Standard Chartered Bank, and 2 SOMED branches; Uganda Breweries Ltd (UBL) and CN Cotton, 1 new CERUDEB branch of Fort Portal and CMF Pallisa commenced lending to USAID APEP Upland Rice farmers in the districts of Kabarole and Bukedea respectively during the reporting period. With the training and deployment of new agricultural loans officers, 4 new CERUDEB branches of Arua, Nebbi, Gulu and Wakiso are similarly expected to commence agricultural production lending in the near future.
- **Trade Finance Credit:** (3 service points) In addition to DFCU Bank and Stanbic Bank in Kampala, Bank of Africa extended trade finance facility to a USAID APEP Agro-inputs client; Victoria Seeds guaranteed by USAID APEP using PL-480 funds.
- **Agro-input Credit:** (7 service points).7 registered inputs suppliers continue to extend credit to stockists serving USAID APEP farmers countrywide under the USAID APEP managed UNADA Stockist Credit Scheme that is guaranteed using PL-480/ATAIN funds. These are: Agriserve Ltd; East Africa Seeds; Evergreen Int. FICA; General and Allied; Mt Elgon Seed Co.; and Victoria Seed Ltd.

Benchmark 1.4: At least US\$1,500,000 in agricultural credit extended to USAID APEP small holder clients by 9/30/2007
 ~ US\$ 1,300,073 in agricultural production credit extended to 2,507 USAID APEP clients (87% accomplished).

The equivalent of \$1,300,073 was loaned to 2,507 small holder farmers between October 2006 and March 2007. The loan amount and the number of beneficiaries are highlighted in Exhibit VII below.

Exhibit VII: Agricultural Credit from October 2006 to March 2007

	Branch	Districts	No. of Loans	Females	Males	Total Amount (US\$)
1	CERUDEB Mbale	Kapchorwa, Mbale, Sironko, Butaleja, Bukedea	625	94	531	548,221,000
2	CERUDEB Hoima	Hoima, Masindi, Kibaale	179	24	155	149,688,000
3	CERUDEB Kasese	Kasese, Kamwenge	72	21	51	53,012,000

4	CERUDEB Mityana	Mityana, Mubende, Kiboga	85	18	67	126,551,000
	CERUDEB Kiboga	Kiboga	102	19	93	96,455,000
5	CERUDEB Kyotera	Rakai	126	23	103	196,680,000
6	CERUDEB Tororo	Tororo, Busia	89	0	89	35,610,000
7	CERUDEB Lira	Lira, Apac	141	12	139	163,921,000
8	CERUDEB Bugiri	Bugiri, Iganga	30	3	27	37,234,000
9	CERUDEB Mbarara	Mbarara	242	67	175	334,122,000
10	CERUDEB Kyenjojo	Kyenjojo	117	9	108	89,704,000
11	CERUDEB Ishaka	Bushenyi	101	20	81	163,469,000
12	CERUDEB Fort Portal	Kabarole	49	0	49	73,500,000
13	SCB	Kapchorwa	3	0	3	51,000,000
14	SOMED Masindi	Masindi	208	36	172	47,840,000
15	SOMED Hoima	Hoima	294	48	246	67,620,000
16	CMF (Pallisa)		44	11	33	40,500,000
	TOTAL		2,507	405	2,122	2,275,127,000
	US\$ Equivalent (1 USD= USh 1,730)					USD 1,300,073

Uganda Breweries Ltd. and CN Cotton had not disbursed production credit by the reporting time.

Benchmark 1.5: At least 3 banks supported to provide structured trade finance to grain traders by 9/30/2007
~ 2 banks supported (67% accomplished).

In addition to technical support to Stanbic Bank for the KACOFA Maize Warehouse Receipt Financing Facility during the last reporting period, USAID APEP provided technical assistance including linking the ASPSII/DANIDA guarantee to the Bank of Africa for the purchase and sale of barley to Uganda Breweries Ltd by KACOFA.

Benchmark 1.6: At least 5,000 ha cotton seed produced by the private sector by 9/30/2007
~ Zero ha planted (0% achieved, planting expected by July 2007)

USAID APEP worked closely with CDO and Quton Seed Company to support production of seed cotton in the Seed Multiplication Segregated areas located in each of the 8 cotton production zones. USAID APEP supported the establishment of 630 demonstration sites (equals 630 acres) resulting in a total production of 461,215 kg (of seed cotton of BPA 2002 variety) and an average yield of 732 kg per acre (equivalent to 300 mt of cotton seed). This represents 14% of the total seed cotton produced from the Seed Multiplication Areas (3,327,186 kg -ACE Report as at 01/04/07).

Planning for the 2007-88 segregated area production is well under way and it is estimated that at least 10,000 ha will be planted under seed cotton

Benchmark 1.7: At least 5 input suppliers receive credit guarantee support by 9/30/2007
~3 Suppliers receiving support (60% accomplished)

Although three companies received credit guarantee support during the reporting period, one of them actually received two different guarantees. Keith Associates received an import financing support through DFCU Bank and a letter of guarantee directly to Aryster Life Sciences, based in Nairobi, specifically for the importation of Satunil. The other companies that received guarantee support were Victoria Seeds and FICA Seeds. Victoria Seeds, through Bank of Africa, received trade finance support for the purchase of certified produced by contract farmers and FICA Seeds received import finance support for the importation of fertilizers from MEA Ltd of Kenya.

Benchmark 1.8: At least 100 rural stockists receive guarantee support by 9/30/2007
~ 60 rural stockists receive credit guarantee support (60% accomplished)

The credit guarantee scheme for rural stockists is managed in collaboration with UNADA, the Agri-input dealers' association. Because of the small scale nature of these stockists as well as the need to provide loan security through group guarantees, the scheme is run in groups called Branches.

During the reporting period, 12 branches, each with 5 members, accessed credit, totaling US\$ 86 million as shown in Exhibit VIII below.

Exhibit VIII: 2007A Season Credit Guarantee Support to Rural Stockists

	Branch/District	LPO Value	Down Payment	Credit
1	Kaliro/Iganga	7,700,000	3,850,000	3,850,000
2	Mityana/Mubende	17,683,000	8,841,500	8,841,500
3	Mubende/Mubende	3,861,500	1,930,750	1,930,750
4	Wagagai/Sironko	6,617,300	3,308,650	3,308,650
5	Tingey/Kapchorwa	43,017,300	21,508,650	21,508,650
6	KWEEN/Kapchorwa	62,038,800	31,019,400	31,019,400
7	Sukuya/Manafwa	4,153,800	2,076,900	2,076,900
8	Kibuyi/Nakasongola	2,029,500	1,014,750	1,014,750
9	Parombo/Nebbi	1,000,000	500,000	500,000
10	Kongasis/Kapchorwa	19,999,600	9,999,800	9,999,800
11	Mako/Koboko	1,000,000	500,000	500,000
12	Nyabirerema/Kabale	3,180,000	1,590,000	1,590,000
	TOTALS	172,280,800	86,140,400	86,140,400

Benchmark 1.9: At least \$100,000 in agricultural credit extended to coffee farmers by 9/30/2007
~\$31,000 in agricultural credit extended to coffee farmers (31% accomplished)

During the reporting period the loan guarantee from the Rockefeller Foundation for banana lending was extended to coffee production by virtue of the inherent and compatible Banana/Coffee farming system in Bushenyi district. One third (\$31,000) of the total agricultural lending portfolio (\$91,000) of CERUDEB Ishaka was disbursed for coffee production. This rather low level of accomplishment is attributed to priority being given to banana enterprises due to its higher profitability and regular cash flow compared to coffee..

Benchmark 1.10: Vanilla extension support continues to be provided in at least 3 regions by 9/30/2007
 ~ Extension support provided in three regions (50% accomplished, on-going activity).

Through the SAF, VANEX continued to provide extension services in three regions namely the Central (Mukono/Kayunga, Mpigi/Wakiso/Luweero Masaka/Rakai), the Eastern (Busoga and Mbale), and the Western (Kabarole/Kasese/Kyenjojo/Mubende and Bundibugyo) regions. The weekly radio programs on 3 Radio stations and the extension services at the 60 demonstration plots were maintained. During the reporting period, a total of 72 radio programs were aired on three radio stations namely Central Broadcasting Service (CBS), Voice of Toro (VOT) and Kiira FM Radio.

Objective 2: Increase Access to Markets

LOP 50 Agribusiness enterprises engaged in processing
LOP 100% Change in the total value of products after processing
LOP 40 Firms involved in regional and international exports of agricultural products

- **Strategy:** The strategy for this objective remained essentially unchanged during this reporting period. This objective focuses on strengthening and developing competitive marketing strategies so that Uganda's products reach local, regional and international markets. Improved efficiency interventions focused on:
 - productivity at the farm-level;
 - quality at the farm or business levels; and
 - organizational efficiencies.

The approach adopted was to link established groups of producers more directly with markets where possible, develop and implement grades and standards and ensure that producer incentives were realized to sustain efforts to improve quality and quantity delivered to market. In addition to farm level support, the strategy sought to promote better quality, traceability and reliability from the farm level in order to service markets better.

Work continued with exporter clients to enable them meet requirements in the regional and international markets. Improved reliability of both supply and quality of that supply encourages internal terminal markets and processors to develop improved regional market opportunities. This has shown particular promise in the oilseed sub-sector where enhanced regional market penetration has resulted in improved regional penetration for the terminal processor. A list of active clients USAID APEP worked with during the reporting period is shown in Annex C.

Access to market at the firm level depends specifically on the reliability with which firms can access quality commodity at competitive prices. This clearly reflects back to production efficiencies at the farm level as well as the efficiencies of the mechanism

that corporates use to reach small holder farmers - both for technology dissemination as well as commodity procurement.

Market access has been improved markedly where *the complete value chain* has received adequate attention. This has been exemplified in the case of sunflower production and marketing through AK Oils and Fats where production has increased from zero at inception to 30,000 mt valued at \$6 million gross farmer revenues after 6 seasons of effective intervention. The processing company is investing in new processing equipment to double its capacity as a result. Market access is increasing such that the company is now marketing and selling processed oil in the EAC as well as southern Africa. Similar lessons have been learned in the rice industry. Although tight corporate linkages are not possible, the number of processors has risen from 1 serious miller to 9 over the space of 3 years. The number of small rural mills has risen by over 200 in that time... all this without direct donor financial support.

Benchmark 2.1: Technical and market linkage support provided to at least 7 new agro-processors (cumulative 45) by 9/30/2007.
~ 9 firms supported (128 % achieved)

The cotton sub-sector suffered a setback in 2005/06 cotton season with excessive rainfall during November 2006 through January 2007 caused by a minor el Nino occurrence. This had a devastating effect on crop yields and quality especially for later planted crops. Despite these, there were a number of new investments in the sub-sector. USAID APEP continued to support Mutuma Ginnery resulting in the completion of a new ginnery with 22 roller gin stands. In addition, Lukhonge Ginnery has been active in Manafwa district and although operating at less than 20% of capacity, is set to continue supporting producers in the district by offering production support and ginning services. Twin Brothers Ginnery in the Lango sub-region has established a new ginning unit in Lira with 30 roller gin stands. In addition this unit will have installed capacity of 50 mt cotton seed per day, enabling all the seed derived from a full days ginning, to be processed for crude oil extraction. OLAM has recently purchased the Magnetic ginnery in Hoima and continues to receive both technical and market linkage support. The company is moving toward organic production in this area. Northern Uganda Eco- organic intervention into the organic cotton system, besides causing significant controversy, has stimulated the interest in organic cotton production particularly in northern Uganda.

The upland rice sub-sector has continued to receive new investors requiring market linkage and technical support. USAID APEP has mediated the formation of a rice processors association to support these activities after closure of the project in 2008.

Rwenzori Rice in Fort Portal with rice milling capacity of 60 mt per day, Kilimanjoro Millers in Kampala with 30 mt per day capacity as well as Nyati Millers in Hoima (not a new agro-processor) with a new processing facility have all received both technical and market linkage support over the reporting period. SOMED in Masindi and Mulindwa Millers in Iganga have installed new rice milling capacity over the reporting period with UAID APEP providing technical and marketing linkage support.

Mukwano Agro Projects has begun installation of a new 80 mt per day (approximately 30,000 mt per annum) oil mill in Lira as a direct result of USAID APEP intervention in sunflower production, and to a lesser extent, cotton. This oil mill will be directly linked to producers and will effectively double the capacity of the company to produce crude and refined sunflower and cottonseed oils.

Benchmark 2.2: Technical guidance provided to 3 new agribusiness firms to develop production, sourcing and marketing plans by 9/30/2007
 ~ 4 firms supported (133% achieved)

During the period under review technical support was provided to NUECO, Olam, CopCot, and Dunavant Organic as separate divisions of existing companies. The production packages being developed involve close liaison with international certification bodies, regional, local and international suppliers of organic crop protection chemicals as well as local regulators and policy makers.

In addition, significant efforts have been made by USAID APEP TA to resolve internal conflicts within the cotton sub-sector. The established zoning regulations have not functioned well resulting in dissatisfaction and potential disinvestment by some ginners. The poor season exacerbated the flaws in the system. USAID APEP has provided support to UGCEA, for the first time, as representative of all the cotton agribusiness processors and exporters. Alternative models of sourcing and production support were developed and presented to the association. Although significantly late, it is anticipated that some new sourcing structure will emerge in the month of April 2007.

Benchmark 2.3: Coffee sustainability technical and market standards guidance provided to at least 3,000 new smallholders (cumulative 10,000) by 9/30/07
 ~ Coffee sustainability technical and market standards guidance provided to 2,712 farmers (90% accomplished).

The coffee industry in Uganda has adopted certified sustainable coffee as a viable opportunity to differentiate products and achieve sustainable international market access. During the reporting period USAID APEP through both TA and SAF provided both technical and financial support to coffee farmer groups and associations and the collaborative exporting coffee enterprises implementing the sustainable coffee initiatives to make both the enterprise and the coffee farmers effective in meeting the requirements for the certified sustainable coffee. The participating export enterprises include Kawacom (U) Ltd, Ibero (U) Ltd, Kyagalanyi Coffee Ltd, Olam (U) Ltd and Ankole Coffee Processors (ACL) and their associated organized coffee farmer groups and associations located in the districts of Kamuli, Masaka, Luwero, Bushenyi, Mukono and Ibanda where expansion program is on-going. In total 2,712 new farmers (registered with various coffee exporters) are participating in the Utz Kapeh and Fair Trade Initiatives.

Benchmark 2.4: At least 10 flower market analysis reports produced by 9/30/2007
 ~ 4 market reports produced (40% accomplished).

USAID APEP continued to financially support UFEA through the SAF, to address research, training and market development areas. With USAID APEP financial support, the Research and Training Specialist at UFEA was facilitated to continue with quality assurance, standards and certification activities on flower farms that are compliant with Milieu Project Sierteelt (MPS). . During the reporting period, MPS grades were accorded to the farms as follows; 7 farms were awarded MPS A; 2 farms MPS B; 2 farms MPS C; and 1 awarded MPS participant. Three farms temporarily stopped their participation due to reduced production caused by storm and financial problems. Rose trials on substrate materials at Mellisa and Belflower were completed, and data is being analyzed. Preliminary results indicated Kabale

volcanic cinders (stones) as the best locally available substrate, and already some flower farms have started using it.

Four market analysis reports with updates of the industry developments were submitted to USAID APEP by the UFEA Research and Training Specialist. These reports provide monthly information on industry performance and the international market prices.

Export volume of both roses and cuttings during the half-year reporting period were 3,283 tons, with an estimated value of US\$14.12 million, showing a decline in volume and value of about 12% and 13% respectively compared to a similar period in 2005/06 (Exhibit IX).

Exhibit IX: Comparison of Floriculture Exports:

Month	2006/2007		2005/06	
	Vol (tons)	Value (US\$)	Vol (tons)	Value (US\$)
October	589	2.08	674	2.85
November	548	2.09	621	2.66
December	523	2.06	596	2.58
January	526	2.33	566	2.53
February	528	3.10	702	3.05
March	569	2.46	593	2.70
TOTAL	3,283	14.12	3,752	16.37

The decline in volume was due to some flower farms reducing rose production and diversification into other products like pot/cut plants on top of those that pulled out of rose production (over 30 ha were lost). Furthermore, the prolonged overcast weather conditions affected production by reducing growth rates and also increasing downy mildew attacks leading to significant losses. Therefore many farms could not achieve their valentine targets although the prices per stem for red roses were attractive.

Benchmark 2.5: At least 6 vanilla market analysis reports produced by 9/30/2007
~ 3 reports produced (50% accomplished).

With the support provided by the USAID APEP through the SAF, VANEX produced 3 vanilla market analysis reports. The market analysis reports are produced every two months and highlight production and productivity of green vanilla beans at farm level, and Uganda's export performance on the international scene. Feedback from international buyers like Shanks indicated improvement in the quality of vanilla from Uganda.

According to CAA records, 37.3 tons of cured vanilla were exported during the reporting period, showing a drastic decline in the volumes airlifted (Exhibit X). On the contrary, according to SAF Marines, cured vanilla exported by sea increased from 44 tons to 77 tons during the same period. International prices for cured vanilla ranged from US \$12 -22 per kg. It is estimated that vanilla exports realized about US\$1.94 million during the reporting period.

Exhibit X: Comparison of Vanilla Monthly Airfreight Exports for 2004/05 - 2006/07

Month	2004/05	2005/06	2006/07
October	13.1	22.0	6.96
November	8.6	41.1	3.36
December	10.5	29.8	6.62
January	1.34	19.3	2.57

February	0.52	21.5	3.57
March	18.56	18.1	14.23
Total	52.62	151.8	37.31

Source: Civil Aviation Authority

Benchmark 2.6: The Vanilla Code of Practice incorporated into vanilla training programs by 9/30/2007
~ 55% accomplished (an on-going activity).

The Code of Practice (CoP) for the vanilla industry lays down requirements for controlling quality in the production and processing chain. Implementation of the CoP is an on-going activity. With technical and financial support from USAID APEP, VANEX aims at safeguarding the required standards so that Uganda becomes a reliable vanilla producer.

During the reporting period, VANEX extension staff continued to train farmers in all aspects of vanilla production as laid down in the Code of practice. USAID APEP TA together with the VANEX Field Director continued to monitor and verify the performance of demonstration plots.

Benchmark 2.7: At least 1 new exporter firm (cumulative 61) assisted by 9/30/2007
~ 1 new exporter firm supported (100% accomplished)

Organic cotton provided a completely new commodity grouping for the USAID APEP team during the reporting period. NUECO has been joined by **DUNAVANT Organic** working in Kitgum and Pader districts. This new exporter firm will deal with organic cotton from these two post-conflict production areas and export under the new corporate identity. This firm is being supported by a Global Development Alliance (GDA) grant to assist returning refugees in land opening for both cotton and food crops.

Objective 3: Identify and Support Producer-Market Alliances

LOP 25 APEP supported firms managing out grower schemes
LOP 125,000 Farmers involved in integrated out grower schemes

- **Strategy:** This objective has focused on fostering linkages between producers and the rest of the commodity market chain. USAID APEP continued to work in two main areas, at the business or large association level, and at the producer level through DC and PO commercialization to build producer-market linkages. Quality standards, buyer requirements, and other market chain support activities were emphasized. The strategy has focused on individual commodity chains and clusters and linked the various partners in the supply chain in order to forge formal or semi-formal marketing alliances.

Of significance has been the development of a *re-worked strategy* for the rapid development of effective POs. This has opened up the possibility of literally thousands of PO's serving the market requirements. This strategy has been piloted in the cotton sub-sector in Teso and the Tororo zones, with encouraging results. Rapid PO development has been taken to the NUECO organic production system where in a relatively short time, the program has supported the development of 840 PO's. Rapid PO development has also been utilized effectively in West Nile under the OLAM sesame and Sanyu Sunflower partnerships. The UBL-EAM partnership in

Kapchorwa has seen the development of 100 POs to service the barley producer-market alliance.

It is envisaged that this important development will contribute significantly to the sustainability of the interventions of USAID APEP. POs and their aggregated DCs have shown their ability to continue to function in the absence of donor support both financially and technically. Maize POs formed at the outset of USAID APEP on the back of former IDEA interventions have continued to grow and flourish without financial support or donor involvement. The PO/DC arrangement is fully capable of integrating with the market and developing viable commercial alliances. Sustainability here is dependant on a functioning private sector without donor or GOU distortions. Strategic interventions post-USAID APEP must not ignore this.

The strategic challenge to establishing producer market alliances is to enable the market to realize the benefit of creating alliances with smallholder farmers. This is a linkage which is not traditionally part of the thinking of processing and marketing firms in Uganda. Dealing with smallholder farmers has been fraught with difficulty if not impossibility in the eyes of the corporates.

Presenting creative mechanisms to link with producers is the key. The linkage options presented differ from crop to crop and the management commitment of the company. For crops with multiple channel markets, like rice, opportunities are different to those with only a single channel like barley. Whatever the case, opportunity has to be found that brings technology to producers to enable them to improve efficiencies of production while at the same time enabling the corporate to access commodity in useful volumes. These positions enhance the efficiency of the whole chain providing a commercial environment that is sustainable because it is mutually beneficial. A valuable lesson learned is that producer organizations are a key ingredient. Corporates have begun to rely on them in many commodity groups as added value has been possible at the farm level and corporates have benefited from the consolidated output.

Benchmark 3.1:	At least 20,000 new assisted coffee farmers (cumulative 70,000) linked with coffee exporters by 9/30/2007 ~ 15,850 new coffee farmers (cumulative 59,873) have been linked (79% annual target and 86% of cumulative total accomplished).
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During the reporting period USAID APEP through the collaborative coffee exporting enterprises that included MTL, Ibero (U) Ltd, Olam (U) Ltd, Kawacom (U) Ltd, UNEX, Ankole Coffee Processors, Kaweri Coffee Farmers Alliance Kyagalanyi coffee Ltd and UGACOF focused on increasing PO coverage while at the same time strengthening the existing established commercially-oriented coffee POs in the districts of Kapchorwa, Bushenyi, Rakai, Masaka, Kamuli, Ibanda, Mityana Mbale, Iganga Mubende, Mukono and has rolled over to the districts of Nebbi and Arua. Through better management and organization, both old and the new POs as well as some societies were able to access improved coffee production technologies and better market. A total of 15,850 new coffee farmers were linked directly to 7 major coffee exporters, bringing the cumulative total of those linked to about 60,000.

Benchmark 3.2:	At least one training event in specialty coffee conducted in collaboration with USAID RATES and SCAA by 9/30/2007 ~ 2 training events conducted in collaboration with USAID RATES and SCAA (200% accomplished).
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USAID APEP continued to maintain close linkage with RATES and Specialty Coffee of America Association (SCAA) that has enabled the project to access both regional and global coffee market information. During the reporting period USAID APEP provided financial assistance to Kyagalanyi Coffee Ltd, UGACOF (U) Kawacom (U) Ltd, Ibero (U) Ltd, MTL, Olam (U) Ltd and CORI to take part in a two-day advance coffee cupping training organized by RATES in conjunction with Coffee Quality Institute (CQI), in Kampala January 17th – 18th, 2007. Nine personnel from the six exporting enterprises and coffee research institute benefited. Through USAID APEP support, the CORI coffee breeder attended the 4th African Fine Coffee Conference & Exhibition held in Addis-Ababa, Ethiopia in February 2007.

<p>Benchmark 3.3:</p>	<p>At least 10,000 new USAID APEP assisted cotton farmers (cumulative 130,000) linked with cotton ginners by 9/30/2007 <i>~ No new cotton farmers assisted (0% accomplished, new farmers to be linked during the 2007/08 cotton season due to commence in May 2007)</i></p>
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As reported in the USAID APEP Third Annual Progress Report (October 2005 through September 2006) a cumulative of 134,458 cotton farmers were assisted during the 2006/07 cotton season. During this reporting period, no additional farmers were trained or linked because there was no new crop and the corporates were involved in the marketing season as well as planning in preparation for 2007/08 season.

<p>Benchmark 3.4:</p>	<p>At least 35,000 existing USAID APEP assisted sunflower farmers engaged with at least 2 sunflower processing firm in OGS by 9/30/2006 <i>~ 33,445 farmers were registered with an OGS linked to 2 sunflower processing firm (96% accomplished).</i></p>
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A total of 33,445 (31,291 with A.K. Oils & Fats (U) Ltd and 2,164 with Sanyu Agro Industries Ltd) collaborating farmers have been registered in the outgrower schemes (OGS) to-date. Of these 14,307 are women (13,358 under A.K.Oils & Fats and 949 under Sanyu Agro Industries).

The reporting period witnessed strong collaboration between USAID APEP and A.K. Oils & Fats (U) Ltd in Lira, Apac, Oyam and Masindi districts. The company dedicated great efforts to strengthening the producer-to-market alliance during season 2006B and through its seed sales, registered 31,291 out growers. A.K. Oils and Fats (U) Ltd procured 19,000 mt worth USH 6.6 billion to the collaborating farmers. The company together with USAID APEP established an extension system comprised 4 district and 98 site coordinators who were instrumental during the time of registering collaborating farmers and providing technical training to the collaborating farmers.

Another producer-to-market alliance was further developed and strengthened with a relatively new company in the oil milling industry. Sanyu Agro Industries Ltd (SAIL) located in Mukono district has developed an outgrowers scheme with 2,154 collaborating farmers registered in Nebbi district. Sanyu made available 1,700 kg of the PAN 7351 hybrid sunflower seed. However, the 2006B season being the first time of such intervention in the area, only 100 kg of seed were bought by farmers and about 17,169 kg of sunflower grains were procured by Sanyu Agro Industries Ltd resulting in an income of USH 6, million to the collaborating farmers. The company together with USAID APEP established an extension system comprising 3 area and 12 site coordinators who coordinated the registration of collaborating farmers in the OGS.

USAID APEP provided a series of comprehensive technical training to all the coordinators in the 2 OGS to equip them with the necessary skills and techniques of transferring improved production and post-harvest handling practices to the farmers during the season. At the same time, the coordinators were the ones who played a leading role together with lead farmers in the procurement of sunflower grain from the farmers at the rural cluster centers. The rural cluster centers generally serve as sources of technical and market information; and input distribution points and marketing/bulking stores.

Benchmark 3.5: At least 60 sunflower rural buying centers established under USAID APEP-Mukwano partnership by 9/30/2007
~ 98 buying centres established (163% accomplished).

In collaboration with USAID APEP, A.K. Oils & Fats (U) Ltd established 98 rural cluster centers in Lira, Apac, Oyam and Masindi districts. The centers served farmers registered in the OGS as a source of technical and market information, training facilities and for input distribution and output procurement. Each center was managed by a site coordinator who worked closely through lead farmers in delivering services to collaborating farmers.

Benchmark 3.6: At least 12,000 existing USAID APEP assisted sesame farmers engaged with at least 4 sesame exporting firms by 9/30/2007
~ 44,230 farmers directly engaged with 4 sesame exporting firms through USAID APEP interventions (369% accomplished)

USAID APEP worked with Outspan Enterprises Ltd to establish an OGS with about 20,000 outgrowers registered under an umbrella company known as Northern Uganda Eco Organic Ltd (NUECO). During the reporting period the company procured approximately 293 mt of sesame worth US\$ 337 million.

USAID APEP also worked with Shares! (U) Ltd and Lango Organic Farming Promotion (LOFP), a local NGO, which recently negotiated the title for organic certification and is now an independent provider of organic produce (cotton and sesame) to the market. Shares! (U) Ltd procured a total of 1,000 mt of sesame worth US\$ 1.15 billion.

Further collaboration was witnessed with CARE Uganda - an International NGO and Olam (U) Ltd to promote conventional sesame production in the in the West Nile region. CARE Uganda is involved in the formation of farmers' groups with the intent of linking them to the market. Under this arrangement, a formal producer-to-market alliance was established with 5,500 farmers registered being linked to UNO Trading Co. Ltd. CARE Uganda provided management oversight of the field program while USAID APEP TA provide the field training activity and technical oversight, as well as linking, where possible, to the off-take markets and supporting demonstration supervision allowances. Total product delivery to UNO Trading Co. over the season was about 400 mt of sesame worth US\$ 400 million. Olam (U) Ltd also registered 6,730 collaborating farmers who provided 300 mt of sesame to the company worth US\$ 300 million.

In total 44,230 sesame farmers were engaged with 4 sesame exporting firms during the reporting period as shown in Exhibit XI. The rather high level of accomplishment is attributed to the enthusiasm by the enterprise partners and high interest by the farmers in organic sesame organized under NUECO.

Exhibit XI: Sesame Outgrower Schemes		
Exporting firm	Districts	Number of farmers
Outspan Enterprises Ltd	Lira, Apac, Kaberamaido	20,000
Shares! (U) Ltd	Lira, Apac	12,000
Olam (U) Ltd	Arua, Nebbi, Yumbe	6,730
UNO Trading Co.	Arua, Nebbi, Yumbe	5,500
TOTAL		44,230

Benchmark 3.7: At least 1,000 new USAID APEP assisted seed growers (cumulative 5,000) linked with 5 seed marketing firms and cotton ginners by 9/30/2007
~About 1,500 new growers recruited in Masindi for the production of cotton seed (150% accomplished).



A young cotton crop at Kigumba farm

During the reporting period, USAID APEP worked closely with FICA Seed Co in an endeavor to have a critical mass of seed growers. FICA Seed Co has expanded into the production of cotton seed following changes in the policy in the cotton sub-sector. The company was leased the NARO farm at Kigumba, previously used by Cotco which closed its activities in Uganda. FICA has been actively recruiting growers for the production of cotton seed. The target is to have about 150 farmers operating on part of the farm, with the company undertaking the

ploughing and some other activities for them. The other part of the farm is utilized by FICA itself. The company has also recruited about 1,400 farmers in three sub-counties surrounding the farm. While the screening of these farmers is still going on, the strategy is to limit the crop size per farmer to around 1.0 acre for ease of management and quality control. Ordinarily seed production is demanding, but the production of cotton seed is particularly challenging.

It is to be noted that these growers have not had any technical training in seed production and handling, nor even in modern cotton farming. Arrangements will be made for USAID APEP to assist the company in training them.

The cotton ginners continue to produce cotton for seed purposes with designated farmers.

Benchmark 3.8: At least 2,500 barley producers linked with 1 agribusiness firm through 1 intermediary by 9/30/2007
~ 2,216 barley producers linked (89% accomplished).

The season 2006B season witnessed further collaboration between the Uganda Breweries Limited (UBL) and USAID APEP through the SAF program for the production of barley in Kapchorwa district. The program expanded into Bukwo district and a total of 2,216 collaborating farmers were registered in the OGS. UBL procured 1,050 mt worth US\$ 420 million.

About 150,000 kg (Karne and Sabini varieties) of imported seed is currently being sold on credit to collaborating farmers for planting during the 2007A season. This is estimated to establish approximately 3,750 acres. The OGS will be further strengthened and expanded to be able to grow and provide larger volumes of barley grain to UBL for brewing purposes "Senator Lager".

UBL in conjunction with Kapchorwa Commercial Farmers Association Produce Handling Agency (Kapchorwa district) and Sebei Cereals Farmers Association (Bukwo district), has continued to provide a full range of support services to the collaborating farmers registered in their respective OGSs using the USAID APEP extension model.

Objective 4: Increased Investment in Private Sector Agriculture

*LOP US\$6,000,000 in resources leveraged by USAID APEP
LOP 125 Public/Private partnership developed by USAID APEP*

- **Strategy:** This objective involves activities supporting investment in private sector agriculture. During the reporting period, USAID APEP continued to provide the catalyst to such investments, promoting and actively seeking out opportunities for investment in the selected commodity sub-sectors. The bulk of the leveraged investment continued to come through the SAF partnership where partners, stimulated by SAF support, invest their own resources. USAID APEP TA continuously sought out viable investment opportunities in each intervention sub-sector. These investment opportunities were clearly and simply documented to provide a template for private sector intervention.

USAID APEP TA worked with each investor not only in the initial investment decision-making process but also throughout the process of implementation and development to bring added comfort to the process and help reduce investment risk, perceived or real. This involved working closely with firms, financial institutions, technical service providers and international markets. A modified strategy was adopted this reporting period, where USAID APEP TA increases their role as leveraging agents with other donors and partners. NAADS, the Royal Netherlands Embassy, UNDP through Africa 200 Network as well as the DANIDA ASPS II continued to be valuable partners. Such support is intended to leverage the technical support provided by USAID APEP and in addition reinforces the sustainability of the USAID APEP initiated work in that such support is likely to continue after the closer of USAID APEP in 2008.

Experience over the reporting period has highlighted the challenges in leveraging resources from and through other institutions to support the work. Institutions may well have the desire to support the work, but bureaucratic and administrative differences make timing and delivery difficult. Additionally, most NGOs and associations seem to have a "self first" mandate where any financial support to the sector will first have to support the institution itself before funds flow to farmers and for corporate linkage development. This results in delays and issues of implementation.

Private sector investment, however, flows seamlessly to the task at hand since it is in the corporates core interest to see the activity progress. Herein lies the solution to supporting and stimulating the private sector – encourage other donors who have a genuine interest in working with these sort of programs to support directly the private institutions as USAID APEP has consistently done. There seems to be no shortage of real private sector investment once the development and promotion systems are in

place and convincing. USAID APEP has achieved a *real cash* leverage of 2.2:1 (after removing the new flower intervention from the figures as a distortion) over the project life. This sort of investment gain is set to continue should economic growth be part of the USAID strategy in the years to come post-USAID APEP.

Benchmark 4.1: At least 2 new investments (cumulative 8) in the coffee sub-sector in place by 9/30/2007
 ~ *No new investments in place (0% accomplished, investments shall be in place by September 2007).*

USAID APEP in collaboration with the coffee industry has continued to support the promotion of value-added green coffee through central pulping stations. During the reporting period, USAID APEP provided financial and technical assistance support to MTL, Ankole Coffee Processors (ACL), Kawacom (U) Ltd and UGACOF to increase yields and improved quality as well as a better cherry collection system from farmers. This structural change in on-farm processing will contribute to increased production and export of washed Robusta. Furthermore, USAID APEP through a SAF enabled MTL to acquire one extra artificial coffee dryer to increase the wet parchment drying capability to mitigate the effect of unpredictable wet weather and increased volume of parchment that adversely affect the quality of coffee during the months of November and December. Already the installation of the artificial dryer in Mbale is in progress and will be operational during the major peak harvest season 2007. The rather low achievement level has been due to delay in installation of some of the facilities and the seasonality factor.

Benchmark 4.2: At least 2 new investments (cumulative 6) in the cotton sub-sector in place by 9/30/2007
 ~ *2 new investments in place (100% accomplished).*

USAID APEP interventions in close cooperation with Ginners and support from RNE and NAADS have continued to attract investments in the cotton sub-sector. During the reporting period, there were 2 new investments in the cotton industry.

Twin Brothers has set up in Lira district a ginnery and oil mill with installation of 30 gin stands and 5 oil extractors with an output capacity of 5 metric tones of oil per day. The investment is worth approximately US\$400,000.

Mutuma Commercial Agencies in Kiyunga, Iganga district made investment in the oil sub-sector with an oil mill with 4 oil extractors, each with a capacity of 7 tones per day. The ginnery was overhauled with replacement of old spares and a generator. The machines were test run, and are operating at full capacity. The investment is worth US\$581,700 with return to investment expected between 3-5 years.

Investments of this magnitude indicate a renewed confidence in the cotton sub-sector with improved business opportunities that investors have appreciated and are more than willing to expand their business horizons. At the moment all these investment are depending on cotton only, hence the reason for continued support to the sub-sector.

Benchmark 4.3: At least 3 new investments (cumulative 7) in the grains sub-sector in place by 9/30/2007
 ~ *Two new investments in the rice sub-sector being promoted (67% accomplished).*

Investment in the grains sub-sector continued to centre on the rice. SOMED have installed a new rice mill in Masindi and the Rwenzori company based in Kabarole is operating in western part of Uganda. During the period under review USAID APEP provided support to Olam (U) Ltd and a private investor with a view to putting into operation new rice mills in central and eastern Uganda.

Benchmark 4.4:	At least 1 new investment (cumulative 3) in the agri-inputs sub-sector in place by 9/30/2007 ~ 1 new investment in the agri-input sector established (100% accomplished).
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Most of the local seed companies are making sizeable investments in their businesses in form of land, production and processing equipment. USAID APEP has had no monetary input in these investments but the project's TA on input has been in close contact with the companies offering technical support whenever possible.

One major investment in the industry during the reporting period was the construction of a large warehouse, with stores, offices, and a room for processing equipment. There are also fields for trials and early generation seed production. This facility constructed in Atiak, Gulu district by Victoria Seeds is intended to become a major field production and processing facility for vegetable seeds. The company is making a strategic investment hoping to exploit the potentially large market in Southern Sudan. It should also be noted that Victoria Seeds is concentrating on producing and marketing vegetable seeds, rather than field crop seeds, as its core business. At the moment, virtually all vegetable seeds marketed in Uganda are imported.

Benchmark 4.5:	At least 1 new investment (cumulative 3) in the flowers sub-sector in place by 9/30/2007 ~ No new investment in the flowers sector (0% accomplished)
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During the reporting period, there was no new investments supported by USAID APEP. However, Pearl Flowers continued with its expansion and diversification into high altitude rose growing. Construction of stores, fertigation unit, cold chain facilities, and packing station were completed. Some farms continued with diversification and expansion into pot plants.

Overall, the flowers and cuttings industry is under severe constraints. Ethiopia has a very attractive investment package for the flowers sector that is rapidly expanding with local and foreign investors, and is very competitive. Uganda continues to be plagued by high energy costs and power shedding (resulting in high airfreight rates and high costs of generating electricity) and the once thriving industry has stagnated.

PIR 2. Increased On-Farm Productivity

LOP 33% change in value per unit of targeted commodities marketed

Another important pre-requisite to achieving the project sub-objective of increased commercialization of targeted commodities is the transformation of a significant number of Ugandan farmers from subsistence farming to profitable commercial enterprises. The aim is to add all the elements that support PO/DC development including crop productivity enhancement, organizational strengthening, and market linkages. Production and marketing efficiency increases are important to sustain this transformation. They may be obtained in a number of ways, including productivity or yield increases through improved farming practices

and proper application of appropriate inputs; product cost reductions through better planning and organization to achieve economies of scale; improved quality of commodities; bulk marketing activities that enable farmers to benefit from economies of scale; and added value through improved harvest and post-harvest techniques and product transformation. Organizational strengthening is aimed at guiding POs to ensure good governance through democratic leadership and decision making, transparency and accountability.

Objectives 5 and 6 are designed to generate results that contribute to the achievement of PIR 2.

Objective 5: Strengthen and Develop Producer Organizations

LOP 200 Depot Committees developed and strengthened

- **Strategy:** USAID APEP PO development and strengthening strategy has focused on addressing the key weaknesses and constraints facing Producer Organizations (POs) and their secondary tier Depot Committees (DCs). These include lack of organizational, planning and managerial skills, lack of a commercial orientation and business skills, lack of access to credit, lack of access to markets, and little influence and control over extension and research information. Emphasis has been placed on PO and DC management training, financial and bookkeeping training, farmer-to-farmer extension, membership management and incentives, credit management and savings, and developing capacities to handle bulk procurement of inputs and bulk marketing. PO Trainers have guided POs to work together under DCs to bulk meaningful volumes and benefit from economies of scale. Both POs and their DCs have been guided to achieve greater economies of scale through bulk marketing and bulk input supply activities. POs and their DCs have received continued technical assistance from USAID APEP to open up and manage commercial bank accounts to boost transparency and ensure security for all business transactions conducted by members through the DCs.

USAID APEP has also placed emphasis on strengthening the capacity of the corporate partners to take lead in PO development activities. Stronger emphasis has been placed on equipping corporate field staff with skills that enable them guide the process of institutional development. Involved in this special campaign were 190 site coordinators in Busia/Tororo (70 site coordinators) and Teso (120 site coordinators) cotton zone who were trained and got actively involved in PO development and strengthening. Each site coordinator worked with an average of 10 POs. Further more, 3 PO Trainers attached to Kyagalanyi Volcafe Nakanyonyi coffee project in Mukono, 2 PO Trainers and 6 site coordinators attached to the OLAM (U) Ltd coffee project in Nakaseke and Rakai and 9 site coordinators attached to Ugacof (U) Ltd coffee project in Iganga, Kamuli and Kinoni were all involved in PO formation and development.

Additionally, expansion into new geographic areas was reduced in order to consolidate and further strengthen the existing POs and their DCs. An emphasis was also placed on internal expansions such that POs that did not have 20-30 members were encouraged to have more members, while DCs who had less than 10 PO members were assisted in their drive to screen and add new PO members.

Benchmark 5.1: At least 400 new coffee POs (cumulative 1,428) trained and conducting bulk input supply and marketing activities by 9/30/2007 ~ 390 new coffee POs (cumulative 1,370) trained and conducting bulk input supply and marketing activities (98% of annual target and 96% of cumulative target achieved).

As a result of a massive expansion of PO development activities in the coffee sub-sector that started in the second work plan year, an additional 390 new coffee POs with an active membership of 7,151 farmers have been established around 8 DCs. They have all been involved in bulk marketing activities during the reporting period. A cumulative total of 1,432 POs established around 105 DCs with a total membership of 27,848 farmers have been actively involved in bulk marketing activities. Individual operations of the POs by location are highlighted below.

- A total of 172 POs organized under 11 DCs from Kamuli bulk-marketed 731.9 tons of coffee to Ibero and an additional 27 tons of FAQ to Simba Café E.A. Ltd and KAWACOM (U) Ltd. The 3,909 farmers working in the Kamuli PO arrangement received on average a price that was US\$ 150 per kg of Kiboko and US\$ 220 per kg of FAQ higher than average farmer prices from the three buyers they worked with.
- In Bigasa, Masaka district, 1,520 farmers organized under 61 POs which worked under 9 DCs successfully bulked 689.8 tons of coffee and sold to Ibero. This was a 50% increase over last year during which 354.4 ton of dry Kiboko were bulked in the Bigasa coffee project area.
- 2,951 farmers in Luwero bulked 284.6 tons and sold it to Ibero. They are organized in 76 POs which are working together under 11 DCs. The POs in Bigasa and Luwero received, on average, an additional US\$ 200 per kg for their bulked crop.
- 4,331 farmers in Ibanda/Mbarara organized under 197 POs marketed their produce through 23 DCs. Together they bulk-marketed a total of 1,156.6 tons of coffee (596.2 tons FAQ and 559.3 ton of low land Arabica) to Ankole Coffee Processors Ltd.
- In Sironko, 865 coffee farmers organized into 89 POs working together under 5 DCs bulk-marketed 357.3 tons of Arabica coffee into MTL earning an extra US\$ 110 per kg.
- In Rakai, a total of 84 POs under 8 DCs bulked 68.8 tons of coffee (50.0 tons (FAQ) and 18.7 tons of Kiboko) into key leading exporters including OLAM and others. OLAM paid an extra US\$ 200 per kg for this coffee.
- 6,403 farmers in Mityana and Mubende districts worked together under 253 POs organized under 14 DCs to bulk-market 239.7 tons of coffee into the Kaweeri Coffee Farmers Alliance (KCFA).
- 1,283 farmers in Nebbi worked together under 62 POs to bulk 57.1 tons of Arabica and sold it to Kyagalanyi coffee Ltd.
- In Mbale 408 farmers working together under 22 POs sold together 44.8 tons through their 2 DCs.
- In Iganga, the 80 new formed POs under the Ugacof project bulked 17.4 tons of FAQ.
- The 5 PO Trainers working under Olam (U) Ltd and Kyagalanyi (Volcafe) coffee project in Nakanyonyi Mukono have organized over 2,700 farmers under 188 POs. A total 18.7 ton of coffee were bulked in Mukoni and 135 tons (FAQ) were bulked in Nakanyonyi.

As a result of bulk-marketing activities, coffee POs were able to earn an extra \$247,965 (Exhibit XII). USAID APEP provided technical training on coffee agronomy, pre- and post-harvest handling, and quality control and traceability aspects in collaboration with the commercialization unit through demonstrations and technical trainings. Additionally, linkages to various coffee buyers were strengthened especially with Ibero, MTL, OLAM, UNEX, Simba Café, KAWACOM, Ankole Coffee Processors and KCFA. Further expansion is planned in collaboration with OLAM in Nakaseke district.

Exhibit XII: Additional revenue accruing from bulk marketing			
Crop	Volume Bulked (Kilograms)	Additional Revenue	
		Uganda Shillings	US Dollars
Coffee	3,782,431	446,336,230	247,965

Benchmark 5.2: At least 2,060 new cotton POs (cumulative 2,376) trained and conducting bulk input supply and marketing activities by 3/31/2007 ~ 1,340 new cotton POs (cumulative 1,656) trained and conducting bulk input and marketing activities (65% of annual target and 70% cumulative target achieved). (but there was no cotton crop during the reporting period??). There was cotton marketing between December 2006 and March 2007

Over the reporting period, the field PO Trainers working under the cotton sub-sector continued to strengthen and train existing POs and to expand into new areas. All 11 PO Trainers working in the cotton sub-sector participated in the ginners planning meetings and are now working in close collaboration with the ginners and the USAID APEP technical staff. As a result of the intensive expansion through the rapid PO development approach, a total of 1,340 new POs were established during the reporting period resulting in a cumulative total of 1,656 POs working around 62 DCs in the districts of Kumi, Pallisa, Mbale, Tororo, Bugiri, Iganga, Nebbi, Masindi, Lira and Apac. The 37,266 cotton farmers working together under the PO structure were able to bulk 7,844.2 tons of seed cotton during the 2006/07 cotton season, of which 4,421.6 tons were conventional and 3,422.5 tons organic. USAID APEP TA continued to train farmers on management and organizational skills required to manage large volumes of crop during the marketing season. In all cases, PO members negotiated price with the ginners, arranged storage and transport facilities to the buyers. The 1,656 POs who conducted bulk marketing activities earned a total of US\$39,670 more than the non-member farmers (Exhibit XIII).

Exhibit XIII: Additional revenue accruing from bulk marketing			
Crop	Volume Bulked (Kilograms)	Additional Revenue	
		Uganda Shillings	US Dollars
Cotton	7,844,174	71,406,130	39,670

Benchmark 5.3: At least 610 new grains POs (cumulative 1,463) trained and conducting bulk input supply and marketing activities by 9/30/2007 ~ 192 new grains POs (cumulative 1,045) trained and conducting bulk input supply and marketing activities (31% of annual target and 71% of cumulative target achieved).

An additional 192 grain POs were trained and commenced bulk-marketing activities resulting in a cumulative total of 1,045 grain POs with a total membership of 21,776 farmers. These POs have been fully established around 91 DCs. The low level of accomplishment regarding

the new POs was due to failure to organize POs in Kabarole (for barley) and part of West Nile (for sesame) as a result of crop failure and lack of interest by the corporate partner respectively. A crop-by-crop breakdown is shown in Exhibit XIV and highlighted below:

- A total of 621 maize POs working under 48 DCs successfully bulk-marketed 4,095.5 tons of maize crop to the following buyers: UGTL, Busia United Produce Buyers Ltd, IDS (U) Ltd, Kahola Enterprises, Central Purchasing and Aponye Uganda Ltd and other buyers.
- A total of 317 sunflower POs established under 28 DCs conducted bulk-marketing activities with Mukwano Industries in Lira and Apac. They sold 7,464.1 tons of quality sunflower grain to Mukwano.
- In Kapchorwa, the 102 POs under their 6 DCs marketed 1,237 tons of barley to Uganda Breweries Ltd.
- A total of 232 rice POs working around 21 DCs bulk-marketed 937.2 tons of quality paddy rice to UGTL, Busia Quality Traders, Afro-Kai Limited and Nyati Millers. Farmers have started to realize the benefit of value addition in the rice sub-sector. Of the 937.2 ton of rice marketed 92 tons were marketed as milled rice.

Farmers have really realized the benefits from consolidating their crop and selling to reputable buyers. The financial results from these POs carrying out and managing bulk-marketing activities amounted to US\$111,047 during the reporting period as indicated below (Exhibit XIV).

Exhibit XIV: Additional revenue accruing from bulk marketing of Grains			
Crop	Volume Bulked (Kilograms)	Additional Revenue	
		Uganda Shillings	US Dollars
Maize	4,095,503	166,707,192	92,615
Rice	937,261	43,639,150	24,244
Sunflower	7,464,166	-	-
Sesame	66,810	3,340,500	1,856
Barley	946,000	-	-
Total	12,472,966	199,885,192	111,047

In addition, 387 POs bulk purchased 53.5 tons of improved seed, 1,384 litres of herbicides, 206 boxes of Round-up Max ®, 656 bags (50kg) of DAP and Urea, resulting in a saving of US\$18,297 for season 2006 A as indicated below (Exhibit XV).

Exhibit XV: Savings accruing from Input bulk purchase			
Crop	Volume Bulked	Total Savings	
		Uganda Shillings	US Dollars
Improved seed			
Maize – Hybrid (kg)	35,122	14,658,300	8,144
Maize- OPV (kg)	14,980	4,338,000	2,410
Upland Rice (kg)	1,540	308,800	171
Sub total		19,304,300	10,725
Herbicide			
Roundup EC (litres)	1,882	4,281,000	2,378
Roundup Max (boxes)	69	6,018,000	8,866
Sub total		10,299,000	5,722
Fertilizers			
DAP (bags)	93	401,000	223
Urea (bags)	111	332,000	184

Sub total	733,000	407
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Benchmark 5.4: At least 140 new Depot Committees (cumulative 296) trained and conducting bulk input supply and marketing activities by 9/30/2007 ~ 47 DCs (cumulative 203) trained and conducting bulk input and marketing activities (33% of annual target and 69% of cumulative target achieved).

PO Trainers continued to provide PO members with technical training intended to enable farmers to organize and manage their DCs and consolidate their crop and input requirements. This training has enabled farmers to estimate crop output and input requirements, set up financial records, negotiate with local input suppliers and crop buyers, as well as to arrange and monitor input and crop deliveries.

To benefit from economies of scale, 47 new DCs conducted bulk marketing activities bringing the cumulative total to 203 DCs who concluded bulk crop marketing and input purchase. Although this accomplishment is rather low, it is anticipated that the planned target will be achieved by the end of the work plan year as more POs are established under the coffee and cotton programs and guided and consolidated into viable DCs.

Additionally, farmers in 14 DCs applied the same marketing principle received through USAID APEP TA to bulk-market 631.6 ton of millet and Artemisia, although these particular commodities are not on the USAID APEP commodity portfolio. The produce buyers they dealt with included UGTL, Busia United Produce Buyers Ltd, IDS (U) Ltd, Kahola Enterprises, Central Purchasing and Aponye Uganda Ltd, Uganda Breweries Ltd and Mukwano Industries in the grain sub-sector, Ibero, MTL, UNEX, OLAM, Ankole Coffee Processors, Simba Café E.A. Ltd and KAWACOM (U) Ltd in the coffee sub-sector and all the ginneries the cotton sub-sector. The DCs also had dealings with 6 input suppliers namely Sukura Agro Input Supply, Monsanto, Mukwano, Victoria Seeds, General and Allied, Ssinga Farm Supply and Idhatujje Fellowship Farm Agency.

As a result the 203 DCs who conducted bulk-marketing activities earned an additional US\$413,029 (Exhibit XVI).

Exhibit XVI: Total DC additional income from bulk marketing – 203 DCs participating			
Crop	Number of DCs	Additional Revenue	
		Uganda Shillings	US Dollars
Maize	48	166,707,192	92,615
Rice	21	43,639,150	24,244
Sunflower	28	-	-
Sesame	22	3,340,500	1,856
Barley	6	-	-
Cotton	62	71,406,130	39,670
Coffee	100	446,336,230	247,965
Other Crops	14	31,583,850	17,547
Total		743,449,852	413,029

The 64 DCs that carried out bulk input procurement benefited by saving a total of US\$27,831 in input procurement costs (Exhibit XVII).

Exhibit XVII: Additional Savings- DC input bulk purchase (97 DCs participating)			
Input	Number of DCs	Total Savings	
		Uganda Shillings	US Dollars

Improved seed	27	19,304,300	10,725
Herbicide	31	10,299,000	5,722
Fertilizer	9	733,000	407
Other Inputs	57	23,871,000	13,262
Total		54,207,200	30,115

Comparing the number of DCs conducting bulk input purchase over the last two seasons indicates a steady increase in the number of DCs involved. Thus, in the first 6 months of the fourth work plan year, 64 DCs have conducted bulk input procurement as compared to 38 during the entire second work plan year. This is because more and more members are becoming commercially-oriented as a result of the technical training received from USAID APEP TA and the internal extension system spearheaded by the lead farmers.

Benchmark 5.5: At least 120 Depot Committees assisted to have formal buyer contracts by 9/30/2007
~80 DCs assisted to have formal buyer contract (67% achieved).

To ensure that farmers establish and benefit from formal business relations with buyers and suppliers, DCs were encouraged to conclude formal buyer contracts with produce buyers. A total of 80 DCs serving 1,242 POs concluded formal contractual marketing arrangements with buyers during the reporting period. They were able to gain an additional US\$292,793 in incremental revenue as highlighted in Exhibit XVIII.

Exhibit XVIII: Total DC additional income from bulk marketing – Formal Contracts (80 DCs participating)			
Crop	Number of DCs	Additional Revenue	
		Uganda Shillings	US Dollars
Maize	28	147,452,922	81,918
Rice	7	2,665,000	1,481
Coffee	57	369,231,190	205,128
Cotton	7	7,678,350	4,266
Total		527,027,462	292,793

On the other hand, 123 DCs working with 2,219 POs conducted bulk marketing activities without signing formal contracts. These too benefited from bulk marketing their throughput and earned an additional US\$166,275 in revenues as a result of bulk-marketing activities (Exhibit XIX).

Exhibit XIX: Total DC additional income from bulk marketing – Non Formal (97 DCs participating)			
Crop	Number of DCs	Additional Revenue	
		Uganda Shillings	US Dollars
Maize	20	147,452,922	81,918
Rice	14	40,974,150	22,763
Coffee	48	77,105,040	42,836
Cotton	55	63,727,780	35,404
Total		329,259,892	182,922

A total of 203 DCs participated in bulk marketing activities. This was a significant increase from the fourth work plan year marketing activities in which 156 DCs participated with 66 concluding formal contracts. PO Trainers continued to assist in setting up initial contacts with commodity buyers, while involving PO representatives and depot managers throughout the

activity in order to create sustainability. The majority of USAID APEP TA for DCs consisted of budgeting and capital mobilization, input needs assessment, estimating crop output, contract negotiating and procurement, receiving and distributing bulk input supplies and delivering agreed volumes of crop to buyers. Older DCs will continue to receive fine-tuning on these business and management skills while new ones will continue to obtain the full complement of this training from their PO Trainers.

Benchmark 5.6: At least new 840 organic product POs (cumulative 840) trained and conducting bulk input supply and marketing activities with NUECO by 9/30/2007
 ~ 846 organic product POs trained and conducting bulk marketing activities (101% achieved).

A total 846 organic product POs with a total membership of 19,987 farmers were established and trained to conduct marketing activities with Northern Uganda Eco Organic Ltd (NUECO) in organic cotton and organic sesame produce. A total of 3,422.5 tons of organic seed cotton product was marketed by the participating POs working with NUECO. The 846 POs were formed through the rapid development approach. NUECO committed 3 zonal coordinator, 16 area coordinator and 80 site coordinators to this activity.

All NUECO staff received training that equipped them with skills and techniques that would enable them to be effective and efficient trainers and guide the process of organizing organic farmers into business oriented POs. All organic products POs received step by step group training imparting skills that guide organic farmers to be screened, inspected and certified as organic.

Objective 6: Increased Access to Improved Production Technologies and Practices

LOP 150,000 producers using improved production technologies and practices

- **Strategy:** For all commodities under USAID APEP, production enhancement has been carried out through demonstration activities. Site coordinators who are either part of the local public or private extension community or lead farmers working within established or newly formed producer organizations have been responsible for managing the demonstration sites. The size, site and management structure of the demonstration plots have varied from commodity to commodity, but all are focused on production, harvest and post-harvest aspects to enhance efficiencies. Each demonstration site continued to focus strategically on the “see the difference” principle, with unit cost of production as the foundation of technology support and adoption. A strategic adjustment was effected during the 2005-06 work plan year. In anticipation of significant reductions in funds available for field demonstration activity, increased effort was made to engage donor partners in similar work. This has been effective with the inclusion of Royal Netherlands Embassy (RNE) support for sesame and sunflower in West Nile, cotton and sesame in Lango and cotton and rice in Teso. The Uganda National Farmers Federation (UNFFE) is providing field support through their district offices, further providing sustainability to post-USAID APEP activities.

Additionally, corporate partners are taking on more and more of the field extension and support activities. This is evident in cotton, where the technical support at the farmer level is seen as critical to increased growth and stability of the sub-sector. It is likely that the combination of a broadened donor support base with corporate

commitment and effective producer organizations will help maintain the majority of USAID APEP production technology interventions even after its closure.

The challenge in regard to having access to improved production technologies and practices is not to get partial adoption. All USAID APEP interventions focus on presenting choice to farmers – a suite of technologies which they can choose within the financial and risk envelopes. All collaborating farmers adopt at least 50% of the highlighted low input technologies in the first year, and follow up to adopt almost all of the low input technologies within 2 years– provided the enterprise choice makes basic sense to them. Adoption of the high input technologies demonstrated is much more limited. Herbicide and pesticides – very effective and relatively low cost are easier to promote.

Fertilizers on the other hand – essential in the medium term to maintain soil fertility are much less likely to be adopted. This is due to factors beyond the immediate cost benefit to the farmer. Clearly cost is a factor – not in economic terms necessarily but in cash flow terms. Added to the propensity to buy fertilizers last, is the factor of availability and pack size (related to price). These require and will continue to require increased emphasis in the future.

Benchmark 6.1: At least 1 wet coffee processing technique (cumulative 2) refined by 9/30/2007
 ~ No new coffee processing technique introduced (0% accomplished, expected in second half of work plan year).

USAID APEP in collaboration with the coffee industry stakeholders continued with the effort to promote the re-introduction of washed Robusta processing techniques as well as the appropriate washing facilities. USAID APEP, through the SAF, and UGACOF (U) Ltd acquired 2 mobile Becolsub coffee washing facility from Columbia to work as a central coffee pulping stations. The use of small amount of water required in the Becolsub technology in comparison to large volume of water required in traditional processing of coffee reduces water contamination caused to the environment. The reduced environmental impact pulping machines are economically viable and ecologically convenient to the farming community in terms of quantity of water required for pulping and the mobility that make them compatible to the farming systems in Uganda. Both machines will be on trial in Masaka during April–May 2007 peak season and later in Kamuli and Iganga districts in September–October 2007 peak season.

Benchmark 6.2: Improved coffee-banana fertilizer recommendations refined by IITA by 9/30/2007
 ~ No improved fertilizer recommendations refined (0% achieved)

During the reporting period, USAID APEP through SAF provided financial support for on-going collaborative work with International Institute for Tropical Agriculture (IITA) on improved fertilizer recommendation in banana–coffee cropping systems. Currently 50% of farm characterization using questionnaire covering the districts of Masaka, Rakai, Bushenyi, Bududa, and Manafa has been accomplished. Equally, soil and foliar samples from 3 out of 7 districts have been collected for analysis. USAID APEP in collaboration with the local district authority and collaborative exporting firms encouraged farmers to use affordable available organic manure and continue with the present recommended inorganic fertilizers to address the declining soil quality. It is only after the results have been analyzed that a refined recommendation can be disseminated to the stakeholders. This is expected by the end of the current work plan year.

Benchmark 6.3: At least 45,000 existing coffee farmers exposed to improved production techniques through 1,500 demonstration sites by 9/30/2007
 ~ 36,100 coffee farmers exposed through 1,500 demonstration sites (80% achieved).

The low productivity of coffee as always cited in all stakeholder meetings has remained a major concern to the industry. In this regard USAID APEP, in collaboration with district local authorities, sub-county crop extension staff and the coffee enterprises involved in transfer of technology at farm levels, intensified farmer training through the expansion and restructuring of coffee demonstration sites as well as the set-up. During this reporting period, USAID APEP TA continued to monitor and provide technical support to the existing 1500 coffee demonstration sites. At these demonstration sites, farmers were exposed to improved coffee technologies and good management practices within their localities. According to field day records, a total of 36,100 farmers, of which 5,040 were women, were in attendance.

In addition to the existing big demonstration sites of 110 and 168 coffee trees for a Robusta and Arabica respectively, smaller new demonstration sites of 25 and 50 trees for Robusta and Arabica respectively have been identified to accommodate and achieve effective training of the increased number of coffee farmers over the coming season.

Benchmark 6.4: At least 50,000 existing cotton farmers exposed to improved production techniques through 2,500 demonstration sites by 9/30/2007
 ~ No farmers exposed (0% achieved, to be captured with the commencement of the new cotton season in June 2007).

As reported in the Third Annual Progress report, USAID APEP during the 2006/07 cotton season fully funded the established of 6,900 conventional demonstration sites and 400 organic demonstration sites under BO Weevil in Lira with assistance from RNE and ASPSII. During the period under review, most of USAID APEP support to the industry was in the areas of marketing and planning for the 2007/08 cotton season. The number of farmers exposed to improved production practices will be captured during the on-set of the cotton season to commence in June 2007.

Benchmark 6.5: At least 2,000 new (cumulative 35,000) sunflower farmers exposed to improved production techniques through 600 sunflower demonstration sites by 9/30/2007
 ~ 33,445 cumulative sunflower farmers exposed through 1,564 sunflower demonstration sites (96% achieved).

During the 2006B season, A.K. Oils and Fats (U) Ltd established 1,428 demonstration sites in Masindi, Lira, Apac, and Oyam districts. The demonstration sites exhibited two (2) packages namely; the high external input and low external input packages to show the farmers the visible advantages between the available technologies. The high external input package demonstrated proper agronomic practices including the use of improved seed "PAN 7351", Glyphosate herbicide and Diammonium phosphate fertilizer. The low external input package demonstrated proper agronomic practices without external inputs.

An established agricultural extension system built under the company to provide extension support to collaborating farmers consisted of 4 district and 98 site coordinators throughout the production area. Through this extension support, 31,291 collaborating farmers were exposed to improved production technologies during the season. Data from the

demonstration sites indicated significantly higher yields of the improved variety “PAN 7351” compared to the old open pollinated varieties in farmers fields. The average yield from the high external input package was 823 kg per acre while the low external input package gave 567 kg per acre.

Sanyu Agro Industries Ltd another company that recently entered the oil milling industry successfully established 136 demonstration sites in Nebbi district, West Nile region. USAID APEP together with Sanyu provided institutional development and technical training to a team of 3 area and 12 site coordinators which facilitated the exposure of 2,154 collaborating farmers to improved production technologies during the season using the demonstration sites. The average yield from the high and low external input packages were 493 and 302 kg per acre respectively. There was a delay in the start of the rains in the area which led to poor crop performance and hence the low yields observed.

Benchmark 6.6: At least 12,000 new (cumulative 50,000) upland rice farmers exposed to improved production techniques through 600 upland rice demonstration sites by 9/30/2007
~ 41,818 cumulative upland farmers exposed through 2,581 demonstration sites (84% accomplished)

During this reporting period USAID APEP with its collaborative partners continued to expose farmers to improved upland rice production in key selected upland rice belts which included: **Eastern belt** – Kumi Bukedea and Mbale; **Mid –Western belt** - Hoima Masindi , Kibaale; **Western belt** - Rukungiri , Kabarole and Kyenjojo; **Northern belt** - Gulu Amoro and Pader; and **Central belt** Luwero Wakiso and Nakeseke. A total number of 1,128 additional demonstrations were established with partners (SOMED, NAADS, ICR, Caritas- church organization in the Northern Uganda districts) bringing the cumulative total of demonstration plots established in collaboration with USAID APEP partners to 2,581, exposing 41,818 farmers (12,774 of whom were females). This is shown in Exhibit XX.

Exhibit XX: Rice Demonstration Program Outreach

Partner	No of Demonstration Sites	No. of Farmers Reached
ACDI/VOCA	34	765
Office of the Vice President/Caritas	758	11,370
Africa 200 Network	685	12,330
Sunrise Ltd	196	2,548
Ecomax/Savannah Company	140	3,510
NAADS Program/ ICR	453	5,895
SG2000 Uganda	160	1,800
Nyati Millers	40	750
SOMED Micro-Finance	115	2,070
Total	2,581	41,818



Demonstration rice drying huts in Wakiso and Apac

Benchmark 6.7: At least 12,000 existing sesame farmers exposed to improved production techniques through 600 sesame demonstration sites by 9/30/2007
 ~ 11,838 sesame farmers exposed through 666 demonstration sites (99% achieved).

A total of 666 technology transfer sites were established during the 2006B season by four sesame trading companies in West Nile and Lango/Teso. Two companies operating in West Nile- Olam (U) Ltd and CARE Uganda/Nile Pro Consult Ltd/UNO Trading Co. Ltd established 320 and 120 sites respectively. These deal in conventional sesame export trade. In the Lango/Teso area, Outspan Enterprises Ltd and Shares! (U) Ltd/LOFP successfully established 50 and 176 demonstration sites respectively. These deal in organic sesame export trade.

USAID APEP in collaboration with the corporate companies provided institutional development and technical training to a team of 12 area and 64 site coordinators who facilitated the exposure of 11,838 collaborating farmers (Exhibit XXI) to improved production technologies such as improved varieties, timely and proper land preparation, and timely planting, proper spacing, and weed and pest control, and post harvest handling practices through the extension team(s). Average yields obtained from the technology transfer sites were about 275 kg per acre compared to 150 kg per acre for the local varieties.

Exhibit XXI shows the number of area and site coordinators, lead farmers and collaborating farmers under the Sesame Demonstration Programme.

Exhibit XXI: Collaborating Farmers under each Sesame Corporate Partner

Corporate	Technical trainings in sesame			
	Area coordinators	Site coordinators	Lead farmers	Collaborating farmers
Olam (U) Ltd	4	32	320	6,730
CARE / UNO	3	9	120	2,485
Outspan Ent. Ltd	2	5	50	568
Shares! / LOFP	3	18	176	2,055
Total	12	64	666	11,838

Benchmark 6.8: At least 10,000 existing vanilla growers exposed to improved production techniques through the vanilla outreach program 9/30/2007
 ~ 5,883 vanilla farmers exposed to improved production practices (58% accomplished).

With financial and technical support from USAID APEP, VANEX continued to train farmers in improved methods of vanilla production, productivity and quality control. A training of trainers refresher course for VANEX coordinators, extension workers and some NAADS staff was held in February 2007. The workshop attracted a total of 72 participants. The training also included an HIV/AIDS component with the USAID-funded PSI project.

USAID APEP TA and financial assistance to VANEX continued during the reporting period. VANEX provided technical services to vanilla growers through the outreach program and extension services linked to the 60 demonstration plots. Training returns submitted by VANEX showed that during the period under review, 5,883 farmers (1,647 females) were exposed to improved practices through the demonstration sites and extension workers' efforts. Regular training events focused on improved field management practices such as shade management, mulching, proper looping, pollination, harvesting and quality control. At farm level, increased vanilla production and improved quality was reported. January 2007 harvest was overwhelmingly higher than the usual fly crop. Estimated production from 10 major local buying companies was over 960 tones of green beans. The price of green beans was in a range of US\$1,500 to 2,500 per kg.

Benchmark 6.9: At least 1 new improved banana farming practice (cumulative 4) disseminated by 9/30/2007
 ~ (50% accomplished, dissemination expected during second half of work plan year).

With financial and technical support from USAID APEP, the International Institute of Tropical Agriculture (IITA) continued to carry out on-farm research focusing on increasing profitability of bananas through improved production techniques/practices and dissemination of banana hybrid. The practices include improved rapid multiplication of clean planting materials, refined fertilizer recommendations, mulching, desuckering and crop protection. During the reporting period, IITA research assistants continued with monitoring and collection of agronomic and economic data from all selected demonstration sites. Farmers to host macro propagation demonstrations were selected in four districts (Masaka, Rakai, Mpigi and Mukono), and construction of the propagation shades has been completed in Rakai district, where two structures were constructed. Sucker selection and initiation, planting and propagator management will be communicated to farmers through training during the following reporting period.

Benchmark 6.10: At least 10,000 existing banana farmers exposed to improved production techniques through 215 banana demonstration sites by 9/30/2007
 ~ 3,160 banana farmers exposed (32% accomplished)

USAID APEP TA to banana growers continued through demonstration activity. All lead farmers received inputs such as fertilizers. USAID APEP TA, together with agricultural

extension workers at sub-county level continued providing training focusing on improved agronomic practices and crop protection measures including Banana Bacterial Wilt (BBW) awareness campaigns.

During the reporting period, APEP TA together with local extension workers continued to carry out on-farm training events at the demonstration gardens and other collaborating farmers' gardens. Based on returns from site coordinators 3,160 farmers (1,830 females) were reached through 215 demonstration sites and other extension services. Training was accomplished at the demonstration sites. Outreach training to farmers was carried out in Rakai and will be rolled out to the other districts in the second half of the work plan year. This will include training around macro propagation nurseries in conjunction with IITA.

The prolonged rains (October – January) in most places coupled with good management practices enhanced banana production. All established gardens from tissue culture materials were into full production. Farmers managed to sell or give out suckers to collaborating farmers at a price range of US\$300–1,000 per sucker. Although adoption rate of tissue culture is rated low, there is an increased demand for the clean planting materials as revealed by increased orders to AGT (supplier of tissue materials).

Returns from some farmers' demonstration plots indicated relative increase in bunch number and weight. This was achieved through a combination of high level inputs such as tissue materials, fertilizers, mulch etc. and good management practices. On average bunch weights were above 30kg with extremes of 50–70kg recorded in Bushenyi and Manafa- Mbale. Farm gate prices ranged from US\$3,000 to 10,000 depending the region and size of the bunch.

Benchmark 6.11: Refined fertilizer recommendations for at least 4 key USAID APEP commodities developed and disseminated by 9/30/2007
 ~ *Fertilizer recommendations were discussed and agreed upon by stakeholders. Dissemination yet to start (50% accomplished).*

This activity was reported on in the last reporting period as it was completed around September 2006 when the stakeholders' meeting was convened. The dissemination has, however, not started because the follow up activities agreed on by the stakeholders have stagnated. The IFDC STTA responsible had a fracture and underwent surgery. It is still hoped that the planned training will take place by Jul 2007, and this will trigger dissemination activities.

Benchmark 6.12: At least 50,000 additional farmers (cumulative 130,000) adopting USAID APEP demonstrated improved technologies and practices by 9/30/2007
 ~ *Cumulative 178,641 farmers adopting low input technology packages (137% accomplished).*

Exhibit XXII shows the number of farmers exposed and those adopting improved production practices/technologies. Overall, the number of farmers who have adopted improved low input practices as of March 31 2007 was 178,641 (representing a 66% adoption rate across all USAID APEP commodities for farmers exposed) while those who have adopted improved high input practices was 4,086 (a 1.5% adoption rate across all the USAID APEP commodity portfolios). These figures are derived from field day attendance (exposure) and sentinel sites (adoption by technology).

Exhibit XXII: Farmers Adopting APEP Promoted Technologies

Crop/Enterprise	Number of farmers exposed	Adoption of high input technology	Adoption of low input technology
Cotton	134,458	672	80,675
Upland rice	41,818	1,464	33,454
Sunflower	33,445	334	30,101
Barley	2,066	517	1,550
Sesame	11,838	0	4,735
Coffee	36,100	1,083	21,660
Banana	3,160	16	2,054
Vanilla	5,883	0	4,412
Total	268,768	4,086	178,641
Percent adoption across USAID APEP commodities		1.5%	66%

As can be seen from the Exhibit above, most adoptions are still at the low input level, despite yield enhancements and reductions in unit cost of production demonstrated with the high input technologies. Obviously, weather and commodity prices cause farmers to be risk averse. But, we need to become a lot smarter in understanding what motivates farmers to become “fully modernized”. The challenge is therefore not of adoption per se, but rather that of sustained adoption which evolves from low input to high input technologies.

PIR 3. Improved Enabling Environment

LOP 10 Key policy and institutional constraints alleviated

To support activities carried out under PIRs 1 and 2, there are certain policy, regulatory or bureaucratic issues, as well as cross-cutting issues that USAID APEP should address. PIR 3 is designed to support these activities, which aim to address and alleviate constraints to increasing commercialization of agricultural commodities. Objectives 8 to 11 are designed to generate results that contribute to the achievement of PIR 3.

Objective 7: Identify and Address Agricultural Policy Constraints

LOP 15 Key policy constraints addressed

- **Strategy:** This objective covers the identification and provision of support to mitigate policy, regulatory and bureaucratic bottlenecks to targeted commodity production and marketing. Although policy and regulatory change is beyond USAID APEP manageable control, the project continued to support this undertaking by providing expert opinion, guidance, and issue profiles. However, USAID APEP took care not to become totally engaged in any of the processes, but leveraged industry and public sector (donor and GoU) in order to address the issues.

Policy issues are only dealt with when they become absolute road blocks to progress, and when all avenues to skirt the issues have been exhausted. In this way the project simply does not get bogged down in what by definition are bureaucratic issues. When a policy issue becomes a real issue, USAID APEP will always work with the “offended” private sector in resolution. This ensures quick and effective

execution of meetings and committee requirements. It also means that the government which is required to amend the policy can immediately see that this is an issue that business requires adjustment – not simply a project with a benchmark to fulfill.

Benchmark 7.1: Variety descriptors developed for private seed sector, in partnership with ASPS II, to develop capacity for inspection by 9/30/2007
~No variety descriptors developed yet (0% accomplished).

It has not yet been possible to start this activity due to funding constraints by ASPS II. Discussions have been going on with the breeder to find ways of supporting this critical activity.

Benchmark 7.2: Rice quality standards adopted by the industry by 9/30/2007
~ Quality standards not yet presented to policy makers (0% accomplished).

EAC members' adherence to the Common External Tariff (CET) arrangement as well as quality standards as they pertain to local and regional market development has become a constraint to the relatively young expanding rice industry in Uganda. Kenyan currently charges 35% of CET instead of the recommended 75% tariff imposed by EAC members. The first rice policy trade meeting was held with major rice players in the country with the objective of addressing the need for a rice stakeholder forum, production enhancement, quality of local rice and its competitiveness and the implication of the non-compliance of the set CET by EAC members. USAID APEP continued to provide technical input as appropriate as well as perform a secretarial role for the Uganda EAC rice task force members, that includes GoU through the Office of the Vice President, private sectors (rice processors and chemical companies), NGOs and the public sector.

The EU funded warehouse receipts project provided a consultant who interacted with the stakeholders and developed a draft of trading standards for rice. These quality standards will be presented to policy makers during the second half of the work plan year.

Objective 8: Stimulate Demand Driven Commercial Agricultural Training

*LOP 200 Individuals completing internships with private sector firms
 LOP 365,000 Individuals trained in private sector agriculture disciplines*

- **Strategy:** As stated in the PMA, Uganda's challenge is to develop education and outreach programs that are increasingly farmer-driven and farmer-oriented while also increasing the participation of the private sector. In this regard, USAID APEP continued to assist the GoU agencies and institutions by providing more demand-driven commercially oriented formal and informal educational programs; supporting private sector training and outreach initiatives; and providing commercially oriented project training delivered directly by USAID APEP or by partners and SAF awardees.

University students and farmers are very responsive to appropriate training. This has been a lesson learned over the project. Interns are enthusiastic because placements

give them opportunities to display their capabilities and hopefully secure employment after graduation.

Farmers have consistently supported the field demonstrations provided that lead farmers and the supporting management structures have ensured that the topics remain motivational. In other words – as long as the demonstrations show something adaptable and obviously beneficial to the farmer he or she will attend. Training remains demand-driven as long as there remains something to learn and chose from. USAID APEP demonstration programs have long incorporated something new and perhaps just outside the reach of the average grower. This seems to keep attendance up and pioneers striving.

Benchmark 8.1: 50 new MUFA internships (cumulative 200) placed with private firms and public sector institutions by 9/30/2007
 ~ *No new interns placed (0% of annual target but 78% of cumulative target accomplished. Interns are due for placement in June 2007).*

During the reporting period, no formal placement of interns took place. However, USAID APEP continued to receive reports from the former interns who had completed their internship. From the reports, interns identified three major strengths of the internship programme as being:

- The real life hands-on experience offered to students during the period;
- The rural-based exposure to field situations and social interactions with the communities; and
- The linkages with potential employers in the private sector.

Challenges, however, still exist. Prominent among the challenges identified were the following:

- There is escalating unemployment in Uganda hence lack of employment opportunities for the former interns.
- Students not able to create jobs due to lack of capital investment.
- High student turnover from the private sector companies due to low pay of workers in the agricultural sector.

Benchmark 8.2: At least 2 pest management training courses held in collaboration with UGCEA by 9/30/2007
 ~ *(0% accomplished).*

No pest management training was conducted during the period under review because the cotton cropping season is yet to begin. However, these trainings are in the planning process and will be conducted in collaboration with the UGCEA during the second half of the work plan year.

Benchmark 8.3: At least 3 seed company personnel attend short courses on seed technology by 9/30/2007
 ~ *No short courses organized for seed company personnel (0% accomplished).*

During the reporting period, no short courses were organized for seed company personnel as no formal contacts were made and arrangements completed with suitable institutions. However, some US institutions were contacted for opportunities available for the short term

courses. It is envisaged that at least 3 seed company personnel will have attended suitable short courses by the end the work plan year.

Benchmark 8.4: 2 PhD candidates (cumulative 3) complete course work at US universities by 8/31/2007
~ 2 PhD scholars have completed course work in the US (100% accomplished)

The USAID APEP-supported formal educational plan has to-date placed all the 3 PhD scholars at US universities under the “sandwich program.” Two of the PhD scholars, Michael Kidoido and Richard Miiro have returned from Ohio State University and Iowa State University respectively, after a successful completion of their one-year study in Agricultural Economics and Agricultural Extension & Education respectively. Mr. John Bosco Kawongolo left for his PhD in Agricultural Engineering at Michigan State University in August 2006 and will be returning in September 2007 after completion of his first year. However, the other two scholars are continuing with their second year studies at Makerere University and are both awaiting approval of their research proposals.

The three major strengths of the Sandwich scholarships are that:

- There is increased strengthening of partnerships previously in existence between the two universities which results in building capacities of the two institutions.
- The students while in the US are exposed to up-dated academic concepts and practices that are relevant to the present development.
- There are also sustainable contacts made with other US institutions that have resulted in increased capacity building and leveraging of resources on the research project.

Benchmark 8.5: 3 MSc candidates placed at MUK complete course by 9/30/2007
~ No MSc candidate has completed his/her course (0% accomplished).

The USAID APEP-supported students are continuing with their studies and are in the process of submitting their first progress reports. The major challenge to the MSc program was the closure of MUK for about two months which derailed the start of the research activities for the students. It is, however, still expected that at least three of the MSc candidates placed at MUK will complete their courses by 9/30/2007.

Benchmark 8.6: 3 MSc candidates and 2 PhD candidates enrolled in degree programs at MUK 9/30/2007
~ 2 MSc candidates and 1 PhD candidate enrolled (60% achieved).

During the period under review, two students – Siamba Byakika Paul and Kahangi Benon were enrolled for MSc programs in Soil Science and Agricultural Extension and Education respectively. Another MSc student drawn from IITA will be supported to undertake a research on “The performance and adoption of tissue culture bananas among farmers in Western and Central Uganda”.

1 PhD candidate – Rwamigisa Patience was enrolled for a program in Agricultural Extension Education.

Benchmark 8.7: At least 16 new participants (cumulative 48) from floriculture industry complete the Applied Tropical Floriculture course by 6/30/2007
~18 full-time participants undergoing training (50% accomplished, course is on-going).

The ninth Applied Tropical Floriculture Course (ATFC) participants were passed out in November 2006, the tenth ATFC was opened on 5th December 2006 at Ugarose. It is organized by UFEA in conjunction with Makerere University Continuing Agricultural Education Centre (CAEC). The course aims at building capacity of supervisors and middle managers of floriculture sub-sector. It receives technical and financial support from USAID/APEP. Two modules of ATFC are taught each month for seven months. A total of 8 modules have been taught during the reporting period. Eighteen participants (14 from flower firms, 2 from FHL and 2 from MAAIF) are fully registered. However, on average 21 participants attended each module. The course covers all aspects of flower growing and marketing issues. Out of the 18 participants; 6 are University graduates; 2 diploma holders; 2 UCAE certificate holders; 8 UCE holders. Due to success of ATFC, the NUFFIC – a Dutch agency supporting educational programs is assisting UFEA in partnership with Bukalasa Agricultural College, Mountain of Moon University, and the Practical Training Center (PTC+, Netherlands to conduct training in floriculture leading to diploma award. During the review period, a team of 9 people were selected and underwent a nine weeks training of trainers course, 1 week on flower farms in Uganda and eight weeks at PTC+ Netherlands.

Benchmark 8.8: At least 230,000 participants (cumulative) locally trained in various agricultural disciplines through USAID APEP's training events by 9/30/2007
~ 271,115 participants trained (118% accomplished).

Exhibit XXIII shows the number of participants trained in various agricultural disciplines during the period under review. The numbers have been categorized under two training approaches; field days, and formal and informal training. The formal training events refer to well-structured training such as the ATFC, Internship program, group/association training, seminars, etc. Details of the formal/informal training events are provided in Annex D. Overall, 271,115 individuals (28% of whom were females) were trained during the reporting period.

Exhibit XXIII: Number of Individuals Trained in Various Agricultural Disciplines

Training Category	Number Trained		
	Males	Females	Total
Field days	193,444	72,640	266,084
Formal/informal training	3,090	1,941	5,031
TOTAL	196,534	74,581	271,115

Benchmark 8.9: At least 20 agricultural bank staff trained in agricultural lending practices by 9/30/2007
~26 agricultural bank staff trained in agricultural production lending practices (130% achieved).

26 Agricultural loans officers from various CERUDEB branches were trained by USAID APEP specifically on financing production of upland rice and maize in a workshop organized by the USAID-Rural SPEED Project in Masaka during the reporting period.

Benchmark 8.10: USAID APEP technology packages realigned to address IEE concerns by 9/30/2007
~ 50% accomplished, on-going activity

All technology transfer training activities reflected the necessary changes due to the introduction of new crop protection chemicals into the program. All products that have been removed are no longer mentioned and those that are in the process of re-introduction are being promoted at the level of the corporate (especially in cotton as they are the principal promoters of the crop protection products) and at the level of the grower through the training sessions at demonstration centers in cases where new products are available at this time. Special attention has been focused at the crop protection chemical wholesaler. This has been in order to increase business confidence in the promotion and registration of new products and to foster linkages with the corporates.

Benchmark 8.11: At least 6 pesticide and fertilizer safe-use trainings conducted by 9/30/2007
~ No pesticide training event conducted, (0% accomplished).

This activity is programmed to commence in April 2007 following the full establishment of crops for the 2007A season.

Objective 9: Establish and Operationalize Biotechnology Regulatory Environment

*LOP 3 Biotechnology and Biosafety regulations improved
LOP Biosafety committee has capacity to review applications for trials*

- **Strategy:** Biotechnology applications in agriculture have the potential to maximize productivity. Biotech crops can increase productivity, reduce pesticide, fuel, and water usage, promote commercialization of smallholder agriculture, and tackle nutrition issues in malnourished communities. USAID APEP activities in biotechnology are supported by other initiatives, including the Program for Biosafety Systems (PBS) and Agricultural Biotechnology Support Program II (ABSP II). During the period under review USAID APEP TA activities continued to focus on three areas of biotechnology support. These included the strengthening of the biotechnology and biosafety regulatory and policy framework; strengthening of the National Biosafety Committee (NBC); and provision of managerial, technical and financial support to agricultural biotechnology research and technology transfer undertakings in Uganda.

Research and technology transfer activity under USAID APEP has continued to provide collaborative and coordinating support towards effective implementation of biotechnology research and technology transfer activities in Uganda. USAID APEP continued to serve as a catalyst in providing support for technology transfer opportunities such as GM cotton.

Benchmark 9.1: Technical and Financial assistance provided towards strengthening the National Biosafety Secretariat at the UNCST by 9/30/2007
~ 50% accomplished, on-going activity.

The UNCST received a grant in the amount of US\$86,943 for the period August 2004 – December 2007 to operationalize the National Biosafety Secretariat.

The Biosafety Desk Office at the UNCST is fully operational and regular technical advice and financial support continued to be provided. During the period under review, the USAID APEP Biotech Advisor maintained regular contact with the Desk Office at UNCST and established a very good working relationship with the Council as a whole. As a result of this capacity building, the NBC is fully equipped to receive and process GMO applications. Recently the NBC approved field testing application of transgenic banana - the first time in Uganda. This is a very encouraging development and recently two transgenic cotton (BGII and RRF) field testing applications were submitted to the NBC.

Benchmark 9.2: Biotechnology and biosafety policy and regulatory framework approved by GoU in collaboration with PBS and UNCST by 9/30/2007
 ~ (0 % accomplished, an on-going effort to get things moving)

This benchmark has remained a very challenging one all along. The UNCST which is the lead agency of the biotechnology and Biosafety policy document has been trying to push for Cabinet approval, which still remains as a pending issue. The new Executive and the Legislative body of the country seem to be busy with other more pressing issues than Biotechnology and Biosafety policy. Therefore this activity remains as an-ongoing effort until the document is approved.

Benchmark 9.3: Biosafety bill approved by 9/30/2007
 ~ (0% accomplished so far)

This benchmark is very much linked with benchmark 9.2 and should be viewed as a difficult step as well. It is very much complex and involves high level political and legislative decision. USAID APEP will nevertheless keep exerting pressure to ensure that the bill is approved within the shortest time possible.

Benchmark 9.4: Biotech and Biosafety Communication and Outreach Strategy and Action Plan implemented in collaboration with PBS-Uganda and UNCST by 9/30/2007
 ~ (50% accomplished, an on-going activity)

The Biotechnology website is in place, up and running. This specific activity is an ongoing process and it is well underway.

Benchmark 9.5: Biotech Cotton technology transfer and confined field testing started by 9/30/2007
 ~ GM cotton confined field testing started (5% accomplished).

Two GM cotton confined field testing sites selected and field preparation has started. Research Cooperation Agreement between technology provider and NARO has been signed. CFT application for BGII and RRF was submitted to the NBC pending approval.

Benchmark 9.6: One external study tour completed for 10 key biotech stakeholders in collaboration with PBS-Uganda by 9/30/2007
 ~ A tour was organize to South Africa for 10 high level decision makers sent (100% accomplished).

USAID APEP sponsored ten high level decision makers including State Ministers, Presidential Advisors, Biotechnology Regulators and S&T Managers to the Republic of South Africa for a one-week (19 -26 March 2007) biotechnology and regulatory study tour.

Objective 10: Stimulate Demand Driven Agricultural Research

LOP 25 Research contracts implemented by public sector

- **Strategy:** As with commercially oriented agricultural education and training, the GoU challenges the PMA and private sector to develop farmer-driven, commercially oriented agricultural research. USAID APEPs mandate is to help in this process by determining, with the various commodity sub-sectors, the real research needs of each sub-sector. These needs have been met by linking demand for the results of such research to the respective industry. This linkage has served to stimulate continuing relations between research service providers (public and private) and the demand for results. Research activities under USAID APEP have not been long-term, generating results within 3 years at a maximum.

All research under USAID APEP has been demand driven and is stimulated by the real needs of the private sector operating in commodity chains supported by the project. Agricultural research has also drifted towards private research with GoU oversight. This has ensured that trials are cost effective and planted on time. Since the companies themselves are anxious to utilize the data, they pay close attention to performance throughout the season and push hard for the final data analysis and outcomes. This is totally different to the “research for research sake” options that emerge very often from pure research institutions when funding is available to do good work. Research actually, although not receiving any direct additional financial incentive, has the incentive of seeing their work rapidly progress to commercialization – something usually slow of totally lacking.

Benchmark 10.1: 1 technology package on cost-effective control of BBW developed and disseminated by 9/30/2007
 ~ (50% accomplished, on-going activity).

With financial assistance from USAID/APEP, INIBAP was supported to carry out trials on evaluation of low-cost BBW control options at four sites in Luweero and Mukono districts using ‘Pisang Awak’ (‘Kayinja’) (AABB group) and ‘Matooke’(AAA-EA group) cultivars.

The project activities included management practices i.e. de-budding with forked sticks, bagging with plastics, destruction of the diseased mats, rehabilitation of heavily diseased plots and training of farmers at benchmark sites. Although digging up and burying the infected mat(s) has been recommended, farmers have not implemented this option due to the high levels of labour demanded. INIBAP therefore, had to evaluate effectiveness of early removal of any flower-infected plants from the mat to prevent further spread of the infection as an option to digging up the whole mat. Activities on this option were completed.

In areas with severe BBW infection, farmers have abandoned the plantations. However, rotation with non-host crops or allowing the field to fallow after clearing infected plantations has been suggested as ways of eliminating the disease from the field. INIBAP undertook a

study to determine the most appropriate fallow period required to prevent re-infestation when replanting with clean planting materials. Selected banana plantations severely hit by BXW were cleared and replanted with tissue culture plantlets. Re-planting was carried out on a monthly basis and was completed in November 2006. The trials are being observed for banana bacterial wilt symptoms and data is being collected. Farmers at the benchmark sites were organized into Farmer Research Groups to participate in BBW research trials

From data collected, INIBAP is conducting an economic viability analysis of the different control options to come up with a technology package that will be disseminated through the farmers' groups.

Benchmark 10.2: At least 3 new banana hybrids disseminated to 2,000 farmers in 4 banana growing districts by 9/30/2007
~ 1 research contract completed (33% accomplished, on-going activity)

Through the SAF, USAID/APEP continued to support IITA to evaluate performance of four banana hybrids that have been incorporated with resistance to black sigatoka and nematodes in selected districts (Rakai, Masaka, Mpigi and Mukono). Planting and gap filling were completed and harvesting of first batches planted on October 2005 has commenced. Preliminary palatability tests were carried out and dissemination of selected hybrids to farmers will be done the following reporting period.

With financial assistance from USAID/APEP, INIBAP was supported to carry out trials on evaluation of low-cost BBW control options at four sites in Luweero and Mukono districts using Pisang Awak ('Kayinja') (AABB group) and 'Matooke'(AAA-EA group) cultivars. This research is in its final stages. Experiments on BBW management practices were done and field evaluation of control options were completed. Trials on determination of the most appropriate fallow period required to prevent BBW re-infestation are expected to end in May 2007.

Benchmark 10.3: 1 preliminary CWD coffee resistant strain research findings made available by 9/30/2007
~ Preliminary CWD coffee resistant strain research findings made available (50% accomplished)

Currently USAID APEP jointly with CORI has been studying documents submitted by CORI for financial support for intensification and acceleration of research activities for development of wilt resistant varieties for on-farm trials as well as the most effective way of producing plantlets at large quantities. Already districts where the on-farm trials will be conducted have been identified.

Benchmark 10.4: At least 1 Arabica coffee IPM package developed and refined by 9/30/2007
~.Analysis of data in progress (50% achieved)

During the period under, USAID APEP TA together with CORI and the industry as well as other research institutions and universities continued to work on the IPM program for coffee. Based on earlier survey, USAID APEP, MTL, CORI and IPM/CRSP conducted a pilot participatory Arabica Integrated Crop Management (ICM) in the districts of Sironko, Mbale,

Manafa and Bududa. Preliminary research works that include baseline survey as well as biological monitoring of the prevalent Arabica pests and the relevant data collection have been accomplished. The analysis of the data collected that will form the basis for developing an Arabica coffee ICM package is in progress.

Benchmark 10.5: 1 flowers research contract completed by 9/30/2007
~ (40%, accomplished).

Through a SAF, USAID APEP provided financial support to Pearl Flowers to run trials on different rose varieties to determine the best performers. Forty two varieties of T-hybrids are being tried. Four varieties from the trials have been selected for commercial production. Results from trial shipments to Holland indicate improvement in bud size, stem length and general quality of flowers.

Benchmark 10.6: 1 sunflower variety development research contract established by 9/30/2007
~ No contract established (0% achieved, expected during the next six months)

USAID APEP continues to partner with NARO in conjunction with the private sector. Trials of new materials – either imported or locally produced are made in conjunction with Mukwano field activities. This reduces the cost of the field activities since they are handled by the site coordinators and ensures that plantings are made on time, thus securing results with lower variations. Such partnership will continue during 2007. As at the time of report writing, no plantings have taken place.

Benchmark 10.7: At least 2 new rice production technologies tested by 9/30/2007
~ Two rice technologies evaluated (100% accomplished).

Smallholder agriculture development with rice farmers in areas where land is available but labour is scarce in terms of adopting planting methods with the use of rice planters to suit the farming conditions was modified with the assistance of the private sector – China huypai. Ten other new prototypes (T2) were purchased for exposure to farmers.

A generic product of the combination of Thioebencarb and Propanil was launched to provide farmers with better, effective but cheaper herbicide option called SUPARNIL, which was marketed by General & Allied. USAID APEP TA in conjunction with the company Transagro carried out the evaluation before it was finally released.

PROGRAM MANAGEMENT

Project Management, Monitoring and Evaluation are integral parts of the project. There are four essential components to USAID APEP management: SAF management, environmental compliance, monitoring and evaluation, and project administration.

Strategic Activities Fund Management

The Strategic Activities Fund (SAF) under USAID APEP was established to complement core project activities and contribute to achieving the project sub-objective of increased commercialization of targeted commodities. The SAF serves as a leveraging tool by providing funds for direct interventions to awardees as part of larger targeted opportunities, maximizing resources available to Ugandan partners. Support through SAF local contracts, grants, cost-sharing agreements, and purchase orders has been provided to public sector institutions, associations, businesses, NGOs, and individuals whose proposed activities meet USAID APEP eligibility/evaluation criteria, as well as contribute to project results (Annex E).

Objective 11: Implement an Effective SAF Program

- **Strategy:** By leveraging SAF resources, USAID APEP has continued to target opportunities for strategic intervention with clients and partners. The technical team and SAF Administrator continued to identify activities within USAID APEP commodity portfolio that contribute to the program's overall objective. SAF awards have been issued and governed according to the procedures established in the SAF Instruction Manual and the SAF Operations Manual. In addition to developing cost-sharing relationships with clients, the SAF Administrator has fostered strategic alliances with private sector partners.

Benchmark 11.1: SAF activities report submitted by 10/31/2006 and 4/30/2007
~ One SAF report submitted on 10/31/2006 (50% accomplished).

The SAF activity reports are submitted in combination with the USAID APEP semi-annual and annual progress reports. The previous SAF activity report was submitted on 10/31/06 with the annual report. The current SAF report is included in Annex E. This report shows all activities and programs awarded since the start of USAID APEP implementation.

Benchmark 11.2: At least an additional \$480,000 (cumulative \$3,700,000) of SAF Committed by 09/30/2007
~ US\$3,482,231 of the SAF has been committed to-date (94% accomplished).

As shown in Annex E, US\$3,482,231 of the SAF has been awarded to-date. USAID APEP has continued to award grants and subcontracts through the SAF and to-date has made a total of 66 awards, all of which followed the award process established in the SAF Operations Manual. These awards include activities in each of program's commodities.

All of the SAF programs continue to be championed by USAID APEP commodity specialists, who are responsible for overseeing the technical implementation of project activities. Each long-term program includes benchmarks and a comprehensive monitoring system that typically involves monthly or quarterly financial and technical reporting.

Environmental Compliance

As per the contract Section 3.3 and in accordance with 22 CFR 216, Chemonics included in the fourth annual work plan a section on environmental compliance that outlines the mitigation plan for the work plan year for all activities that were identified in the IEE as having a negative determination with conditions. Activity under this section is reflected in objective 12 that follows.

Objective 12: Implement and Maintain an Environmental Compliance and Mitigation Plan

- Strategy:** As guiding documents, USAID APEP has an Initial Environmental Examination (IEE) with categorical exclusions and a negative determination with conditions that apply to: pesticide use, requiring a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP); fertilizer inputs; biotechnology applications, including biosafety; introduction of new seed varieties; training on safe use of pesticides and fertilizers; and an environmental review process for SAF awardees. These include mitigation and monitoring measures. Environmental compliance cuts across all IRs and sub-IRs and this objective synthesizes the reporting.

Strategically, this remains a challenge under the project – particularly with regard to pesticides. Already identified are suitable replacements for most environmentally unsuitable CPC's. The testing, registration and promotion however are totally in the hands of the local and international suppliers. Additionally, delays in processing replacements put pressure on the environmental compliance aspects of the program. There appears to be no solution to this challenge – promising delivery but having no control over the process of such delivery. It simply depends on a continued effort on the part of the project to nudge replacements into the system as fast as possible. An additional issue is that of cost. Replacements are usually still on patent and are likely to be more expensive than the established but unapproved generics. This requires specific lobbying of all parties to see the need and benefit of replacement.

Benchmark 12.1: USAID APEP technology packages continued to be realigned to address IEE concerns and PERSUAP recommendations by 9/30/2007.
 ~ (50% accomplished, on-going activity)

Enthusiasm for **Organic cotton** has increased dramatically during the reporting period. A difficult cotton year combined with increased international market demand for premium organic cotton has been the cause. The intention of USAID APEP TA in this commodity continues to be to develop a complete organic package that works to produce organic cotton at the same or better levels in terms of farmer incomes than conventional cotton. The notion of “real organic” has been promoted with responsible positions being promoted for soil fertility as well as pest control. This has resulted in an initial and under trial package for organic cotton as shown in Exhibit XXIV.

Exhibit XXIV: Summary of USAI USAID APEP Realignment t Address IEE Concerns

Problem	Organic solution/Potential solution [#]
Soil Nitrogen	Rotation with Mucuuna – seed secured. To be introduced this season

Soil Nitrogen	Application of non-symbiotic nitrogen fixing bacteria. TwinN,(Mabiotech) and symbion-N (TStanes) under trial this year
Soil Phosphate	Rock phosphate (Minjingu) and Flamingo Guano (Lachlan) to be introduced in demos and collaborators this year.
Soil Phosphate	Solubilising bacteria under trial – Symbion –P* (TStanes)
Soil nutrient mobilization	Humic acids - 2 sources to be included into the demonstrations
Sucking Pests	Soapy water as previously used (organic certification required on the choice of soap) Nimbecidine (Atazirachtin 0.03%)
Sucking Pests	Bio-Catch (Verticillium lecnai 1.15%) and Oxymatrine 2.4ec (prosuler oxamatrine 2.4%) under trial*
Bollworm complex	Nimbecidine (Atazirachtin 0.03%)
Bollworm complex	NoMate pheromone traps (agrilandbiotech) under trial*
Bollworm complex	Bio-power (Beauveria bassiana) under trial*
Bollworm complex	Spinosad awaiting organic registration of appropriate formulation

[#] These are in addition to rotational and catch crop or other non chemical means

* These trails are subject to approval by the competent authority

Conventional cotton continues to be a focal point as far as CPC compliance is concerned. Acephate is available for the forthcoming season and Acetamiprid is waiting final release by the Agricultural Chemicals Board. This should be in time for application under conventional conditions.

Floriculture through UFEA continues to be proactive and has made some important progress on environmental issues, partly in response to being MPS compliant. Soil sterilization without methyl bromide continues with alternative technologies and the industry continues to seek crop protection chemicals with reduced environmental and human health risks.

A summary of cumulative activity relating to PERSUAP is presented in Exhibit XXV.

Exhibit XXV: Summary of PERSUAP Activities to date

Replacement product	Replacing - Product/Month/Year	Commodity Targets	2006/7 S- Annual Report Progress
Lambda Cyhalothrin	Oct 2005	Cotton	Sold as Ambush Super and Ambush CY as pure form products. Removed from CDO recommendation list as of May 2005. No longer promoted in any of APEP technology packages.
Paraquat	Oct 2005	Coffee	Sold as Gramoxone. Product removed from all recommendations with immediate effect - May 2005.
Coumatetralyl, Coumachlor	Oct 2005	Upland Rice	Not recommended at all in APEP programs. All rodent control is by cultural methods with effect project implementation.
Cypermethrin	Oct 2005	Upland Rice	Not part of upland rice package with effect March 2005 plantings
Deltamethrin	Oct 2005	Coffee	Not part of coffee package with effect October 2005
Fenitrothion	Oct 2005	Coffee	Not part of coffee package with effect October 2005
Pirimiphos-ethyl	Oct 2005	Bananas	All banana technology packages promote pseudostem trapping as the only IPM method current for weevil management with effect October 2005. Imidacloprid (Confidor) being tested in demonstration plots with heavy infestation (where mulching recommendations produce a moist environment conducive to weevils). Work with NOGAMU has been initiated to support the import and development of commercial <i>Beauveria bassiana</i> control measures.
Fluazinim	Oct 2005	Coffee	No technology package recommended for CBD control through 2005 – Benomyl available in the market place available for promotion
Bromoxynil	Oct 2005	Barley	Replaced by Iodosulfuron-methyl-sodium (Hussar) on a limited scale during the 2006 first and second plantings. Herbicide performed well during 2006 and will continue to be part of the barley technology package in 2007.

Imidacloprid (Confidor)	Chlorpyrifos (Dec 07) Carbosulphan (Apr 08) Fenitrothion (Apr 08)	Coffee	Determined availability and efficacy of Confidor in coffee through CORI. Awaiting finalization of recommendation to be included in technology package. This recommendation will likely be finalized this reporting year.
Imidacloprid (Gaucho seed dressing)	Dimethoate (June 07) Bronopol (Apr 08)	Cotton	3,305 acres treated with Imidacloprid for the 2005/06 season with some encouraging results. Despite early season dryness, sucking pest control was noticeably improved over spray treatments with lower losses due to Lygus. This is especially important with BPA 2002 as it is slightly earlier. In addition, since all cotton seed will be brush delinted for the 07-08 season, thiamethoxam (cruiser) has been imported for all seed segregated areas as well as all demonstrations under conventional cotton.
Malathion	Chlorpyrifos Dec 07)	Coffee	Establishment of demonstrations under SAF with new partnerships, activity initiated with no Crop Protection Chemical as part of the technology package. Pest incidence very low except with one instance of Root Mealybug due to poor planting material with Ibero. Otherwise no pest problems in Robusta
Carbaryl	Chlorpyrifos (Dec 07) Dimethoate (Dec 07)	Coffee	Establishment of demonstrations under SAF with new partnerships, activity initiated with no Crop Protection Chemical as part of the technology package. Pest incidence very low except with one instance of Root Mealybug due to poor planting material with Ibero. Otherwise no pest problems in Robusta
Acephate	Profenophos (Apr 08) Fenvalerate (Apr 08) Fenitrothion (Apr 08) Cypermethrin (Apr 08) Deltamethrin (Apr 08) Diazinon (Apr 08)	Coffee, Cotton, Upland Rice, Barley	Discussions with the trade supplier ongoing as to reintroduction of Acephate into the cotton sector and opportunities to promote in other seasonal and perennial crops. Agreement reached on reintroduction and promotion in the 2007/08 planting as well as modest promotion where opportunity arises in 2006/07. Dunavant has shown keen interest in moving towards total organic production in the GDA partnership area. As such it will completely replace all inorganic pesticides in its cotton areas.
Benomyl	Copper oxy – chloride (Oct 05)	Coffee	Results and applicability determined from Kenya experience in Arabica CBD and Leaf Rust control. Rates and timings determined for Uganda conditions. Currently working with IPM CRSP to evaluate additional alternatives. No suitable recommendations emerging from this to date – further work during the growing seasons during 07-08.
Dithianon	Copper oxy – chloride (Oct 08)	Coffee	Results and applicability determined from Kenya experience in Arabica CBD and Leaf Rust control. Rates and timings determined for Uganda conditions. Currently working with IPM CRSP to evaluate additional alternatives. As above for data.
Acetamiprid	Profenophos (Apr 08) Fenvalerate (Apr 08) Fenitrothion (Apr 08) Cypermethrin (Apr 08) Deltamethrin (Apr 08) Diazinon (Apr 08)	Cotton	Ongoing encouragement of Balton as the principal supplier to continue registration for inclusion in the 2007/08 cotton season early sucking pest control regime. Final release of the product by the ACB was not finalized by the end of the season in 2006. According to the company, it is still waiting for final release as at the time of reporting. This should however be ready for inclusion in cotton spray options for the 07-08 cotton crop.
Thiamethoxam	Dimethoate (June 07) Bronopol (Apr 08)	Cotton	Continued discussions with cotton ginners as to the need for an early introduction of Thiamethoxam as a viable alternative to control early season sucking Lygus and aphids. Initial Masindi district response being transmitted to the ginners to further encourage serious consideration of at least limited commercial introduction in 2007/08. Thiomethoxam has been imported for all the cotton seed production areas this year as well as for inclusion in the cotton demonstrations to be undertaken through APEP support.

Spinosad	Profenophos (June 08) Fenvalerate (June 08) Fenitrothion (June 08) Cypermethrin (June 08) Deltamethrin (June 08) Diazinon (June 08)	Cotton	No progress due to inability of the project to procure promotional volumes. Supplier skeptical about the potential market - due to cost considerations, and reluctant to invest in registration and promotion. Continued discussions having limited results in the absence of some promotion activity. Discussion with supplier has resulted in the preparation of sufficient product for promotion in the 07-08 production season. Work too has advanced the possible inclusion of Spinosad into the organic production packages for the coming year. The manufacturer is working to release Spinosad in a formulation that is approved by the US organic movement.
Azadiractin	Chlorpyrifos (Dec 07) Dimethoate (Dec 07)	Cotton, Coffee, Upland Rice	Successfully introduced with positive results in the organic cotton sector. Commercial supplier identified and linkage with the manufacturer made to ensure correct pack size applicable to Uganda smallholder production. The product did not perform well in the 2006-7 season. It is not a pesticide in the conventional sense in that it does not knock down like a pyrethroid or OP pesticide. Growers sensitization was insufficient and expectations were too high. Work with the manufacturer and supplier has refined the application rate to 3 sprays with average 200ml per acre as opposed to 2 sprays at 500ml per acre. Pack size has been adjusted to reflect this for the 07-08 season.
Dazomet	New introduction - replacing Carbofuran (Apr 08)	Banana nematode control	Farmers in central areas who have been used to using chemical control for nematodes are being sensitized as to the use of alternatives. Dazomet still unregistered but local suppliers are being apprised of the market potential and the benefits of product registration. Work with NOGAMU in developing biologicals is underway in conjunction with Indian suppliers.
Botanical and Biologicals for nematode and banana weevil control	New Introductions	Nematodes and weevil	Commercial biologicals and botanicals are available elsewhere to control these pests. The ACB currently will not allow importation of living biologicals as a matter of policy. APEP is working with all parties to resolve this so that trials can commence on suitable products.

Benchmark 12.2: At least 10 pesticide and fertilizer safe-use trainings conducted by 9/30/2007
~ 6 formal trainings conducted (60% complete)

Safe use continues to be reflected in all field staff trainings but particularly in stockist training throughout the country. Six training events were conducted in western Uganda during the reporting period. These trainings have been lead by the USAID APEP Inputs TA.

Benchmark 12.3: All SAF awardees environmental reviews completed by 9/30/2007
~ Environmental reviews completed for all SAF awardees and field reviews conducted (50% accomplished, on-going activity)

During the period under review, all current awardees' activities were inspected during the normal course of delivering TA to determine compliance with environmental and mitigating actions, including identification of any additional environmental issues that have arisen, including appropriate mitigation measures to be adopted. All new SAF applicants have also completed the Environmental Review Form.

Benchmark 12.4: At least 2 pesticides approved for cotton usage in accordance with PERSUAP recommendation by 9/30/2007.
 ~ *Not complete (0% accomplished, still waiting for the release of acetamiprid)*

Work to promote the cotton seed dressings is complete as is the work to finalize release of acetamiprid. Cotton planting has not begun. Trials in the current growing season have included biologicals and botanicals with the objective of confirming efficacy as well as compiling the appropriate release dossiers. Trial work to further refine azadirachtin application rates and methods will continue. The supplier is still waiting for the release of acetamiprid.

Benchmark 12.5: Guidelines on pesticide usage refined and disseminated in conjunction with USAID PRIME/W by 9/30/2007
 ~ *Not complete (0% accomplished)*

Following the establishment of spray guidelines resulting from the PRIME WEST activities, USAID APEP and PRIME WEST will publish these and disseminate them to all pesticide users this reporting work plan year.

Monitoring and Evaluation

Monitoring progress and evaluating results are key management functions in USAID APEP. Performance monitoring is an on-going process that allows USAID APEP and USAID Kampala managers to determine whether or not the project is making progress towards its intended results.

Objective 13: Implement and Maintain an Effective Monitoring and Evaluation System

- **Strategy:** The USAID APEP Monitoring and Evaluation (M&E) system is based on an impact design linking activities to desired outcomes and impacts. This design is reflected in the USAID APEP RF presented in the first section of this semi-annual progress report. The M&E system is intended to provide the foundation for tracking the project's delivery of expected outputs and quantitative impacts to measure progress, as well as support USAID's M&E needs by providing input to the Mission's SO7 and associated IR indicators. During the fourth work plan year, USAID APEP continued to use a distributed approach to M&E where all project team members and partners are responsible for collecting M&E data in their technical areas. The M&E Specialist continued to coordinate this effort and consolidated all data collected and generated aggregate data for the M&E indicators. Close liaison was maintained with the USAID SO7 team and the USAID-funded Monitoring and Evaluation Management Services (MEMS) project.

Benchmark 13.1: M&E system updated and made consistent with SO7 requirements by 09/30/2007
 ~ *M&E system and indicators updated (50 % accomplished, on-going activity).*

During the period under review, the M&E data collection tools were refined to meet additional data needs and the USAID APEP Program Assistants were inducted and utilized during the data entry process. The results of the data entered have been utilized in generating this semi-annual progress report and in verifying project achievements for the key indicators identified in the Project' Performance Monitoring Plan (PMP).

As a way of gauging adoption rates and associated project impact at the household level, 320 sentinel sites covering the key commodities supported by USAID APEP were established as shown in Exhibit XXVI.

The sentinel sites are made up of a representation of USAID APEP clients/beneficiaries sampled from the list of collaborating farmers around a demonstration site. These sites continued to be used to generate data regarding changes in production practices, input usage, income levels, on-farm jobs and changes in area, output, yields, and volumes and values of commodities marketed.

Exhibit XXVI: USAID APEP Sentinel Sites for 2006/07		
Commodity	No. of sites established	No. of districts
Cotton	100	9
Coffee	60	6
Banana	35	4
Upland rice	40	6
Sunflower	45	3
Maize	40	6
Total	320	

Benchmark 13.2: Secondary data collected and updated by 9/30/2007
 ~ *Secondary data updated on a regular basis (50% accomplished, on-going activity).*

The M&E Specialist, with support from USAID APEP TA continued to maintain close working relationships with data providers identified during the previous years of project activities. USAID APEP now receives regular industry-wide data on cotton, coffee, flowers and vanilla, which are utilized to assess overall industry performance. Other data sources of relevance to the project include the Uganda Bureau of Statistics (UBOS), the Bank of Uganda (BoU), and project collaborators including ASPs II, NAADS, PMA, SCOPE, USAID Rural SPEED and FEWSNET.

Benchmark 13.3: At least one verification/impact study conducted by 09/30/2007
 ~ *No cost of production study conducted (0% accomplished, to be conducted by September 2007).*

As a way of ascertaining economic returns from adopting the technologies promoted by USAID APEP, the M&E Specialist together with the Finance Specialist will conduct a series of cost of production and profitability analyses. This is planned for May-September 2007. The study which will cover the project's key commodities - cotton, coffee, banana, upland rice, sunflower, barley and maize shall be conducted during the second half of the work plan year.

Benchmark 13.4: At least 10 USAID APEP impact stories produced by 9/30/2007
 ~ *No impact/success stories produced (0% accomplished, schedule for second half of the work plan year).*

No impact story was produced during the period under review as most of the project interventions can only meaningfully be assessed towards the end of the work plan year. All 10 impact stories are scheduled for the second half of the work plan year.

Project Administration

Chemonics places great emphasis on providing effective administrative and logistical support to all field programs, as well as assuring contract compliance. A home-office Project Management Unit (PMU) is assigned to each project. This unit comprises a project supervisor who works closely with the field-based chief-of-party in all aspects of contract management; a project administrator who liaises directly with the field-office operations management to provide administrative and logistical support; and an assistant project administrator. Chemonics is committed to supporting USAID APEP so the project will achieve results on schedule, within budget and in compliance with all applicable rules and regulations. The Chemonics Home Office PMU is not a direct cost to USAID APEP, except where there are specific field assignments, pre-approved by the CTO.

Objective 14. Provide Effective Contract Administration

- **Strategy:** The PMU has continued to work closely with the project office to assure contract compliance, to assist with regular contract reporting, and to provide financial analysis for management. During the reporting period, Geoffrey Livingston, the PMU supervisor, resigned from Chemonics and was replaced by Harvey Schartup.

Benchmark 14.1: Financial reports and pipeline analyses provided to USAID quarterly, by 12/15/2006, 03/15/2007, 06/15/2007 and 09/15/2007
~ *Two financial reports submitted in December 2006 and March 2007 (50% accomplished).*

As required by USAID APEP contract Section I.1, Chemonics submitted quarterly financial reports and pipeline analyses to USAID on 12/15/2006 and 03/16/2007. A Limitation of Funds notification was also submitted on 12/15/2006. These reports were compiled and submitted by the HO PMU. Monthly vouchers were also submitted.

The reduction in USAID SO7 funding for FY06 resulted in a \$600,000 reduction in USAID APEP funding. To realize the reduction in budget, USAID APEP expatriate LTTA Commodity Commercialization Director, Daniel de Reuck and Producer Organization Director, Michael Mailloux, were both terminated on 10/31/2006. There are also reductions in SAF and Training budgets.

Benchmark 14.2: VAT payment and reimbursement report provided to USAID by 11/17/2006 and 04/16/2007
~ *VAT report submitted in November 2006 and next one due April 2007 (50% accomplished).*

As required by USAID APEP contract Section H.14, in November 2006, Chemonics submitted the final VAT reports for USAID APEP on items exceeding US\$500. The report was compiled and submitted by the HO PMU and was based upon charges incurred. On a monthly basis, USAID APEP has submitted VAT reclaim reports to USAID for items less than US\$500. To-date, since the commencement of the project, USAID APEP has not received any VAT reimbursement. It is now time-sensitive for the US Government to resolve

this matter with GoU since the accumulated receivable in the form of VAT reclaim will be constraining the USAID APEP operating budget.

Benchmark 14.3: 3rd annual project progress report submitted to USAID by 10/31/2006
~ Report submitted on 10/17/2006 (100% accomplished).

The 3rd annual progress report was submitted on 10/17/2006. It covered the period October 2005 to September 2006. Home Office PMU, M&E, POT, SAF and Training resources were utilized to continue tracking performance indicators. Various extracts of the report were utilized by MEMS and also for IEHA reporting purposes.

Benchmark 14.4: Semi-annual project progress report submitted to USAID by 4/30/2007
~ This progress report is the subject matter of this benchmark (100% accomplished).

This semi-annual progress report covers the period 10/01/2006 through 03/31/2007. It was prepared with joint input from all the TAs on USAID APEP.

Benchmark 14.5: Annual property report submitted to USAID by 10/31/2006
~ Report was submitted on 11/10/2006 (100% accomplished).

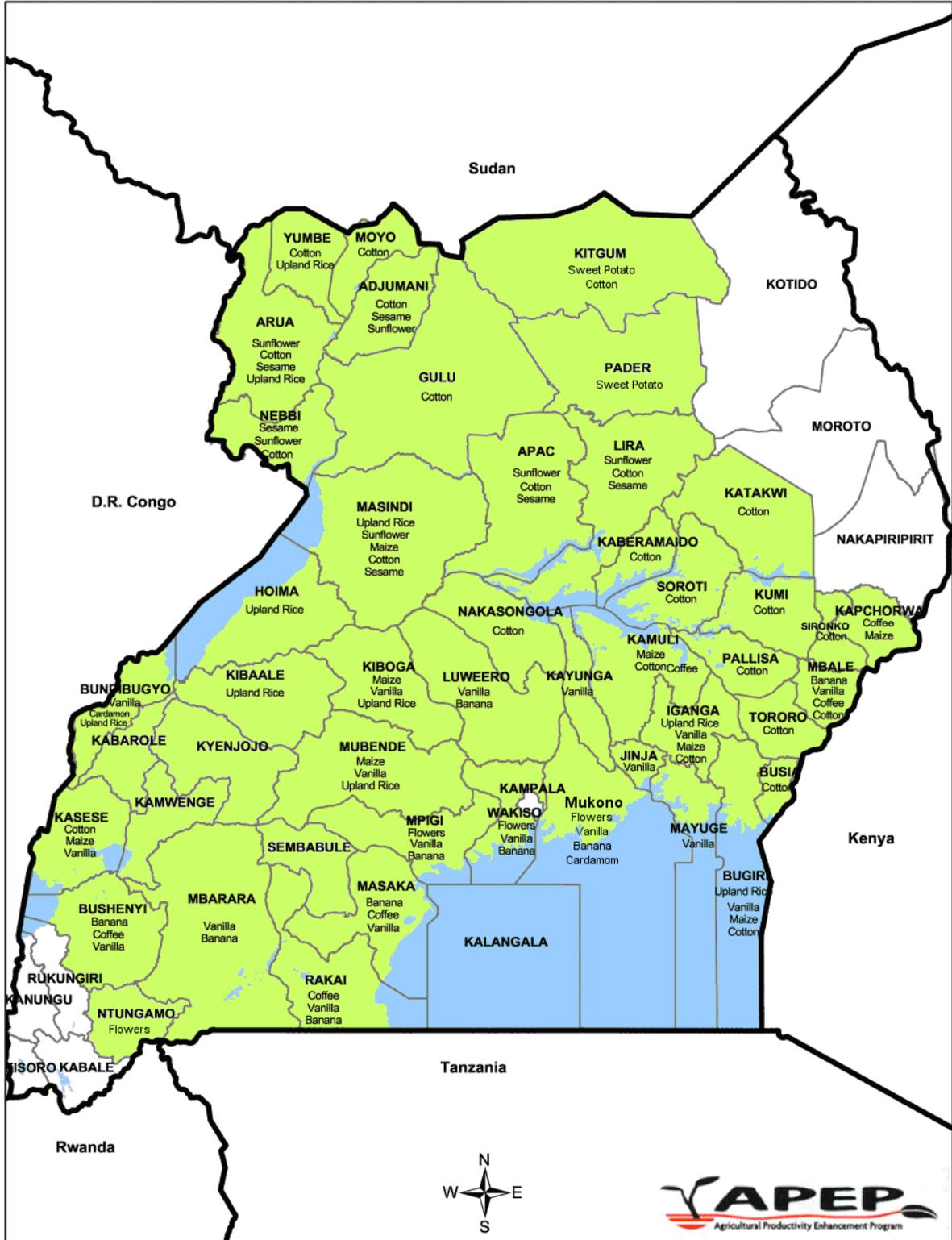
CTO and CO approval is obtained for commodity procurements in excess of US\$100,000. As each non-expendable commodity exceeding US\$500 in value is procured, it is inventoried according to USAID regulations. This annual property report was submitted on 11/10/2006. The report covered Office items and Expatriate household items. Expatriate household items for Anne Milligan, Daniel de Reuck and Michael Mailloux are stored in 2 ocean containers on leased premises. Some of these items have been dispersed to the residence of Tilahun Zeweldu and to Mark Wood residence when there is need for replacements. The compilation and maintenance of the inventory is done by the USAID APEP Operations Manager. USAID APEP project management, the project accountant and the HO PMU also contributed. Procurements were minimal during the reporting period.

Benchmark 14.6: 5th annual work plan for FY07 submitted to USAID by 9/30/2007
~ To be prepared in September 2007 (0% accomplished).

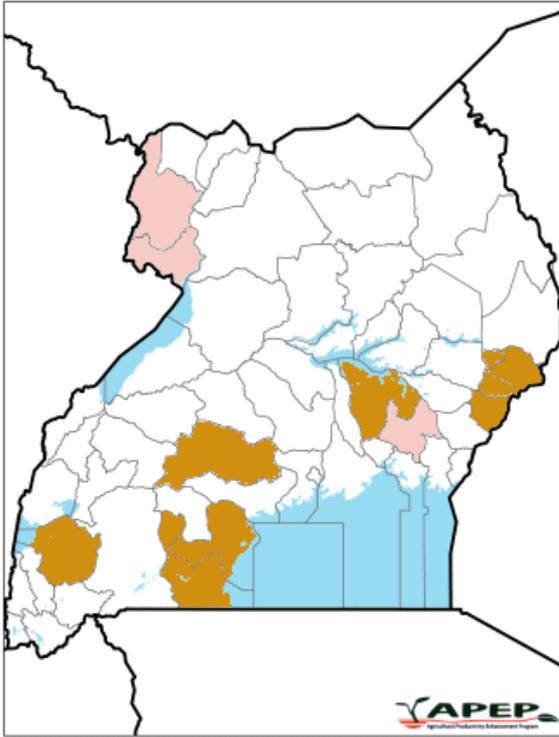
This activity is programmed for September 2007.

ANNEX A

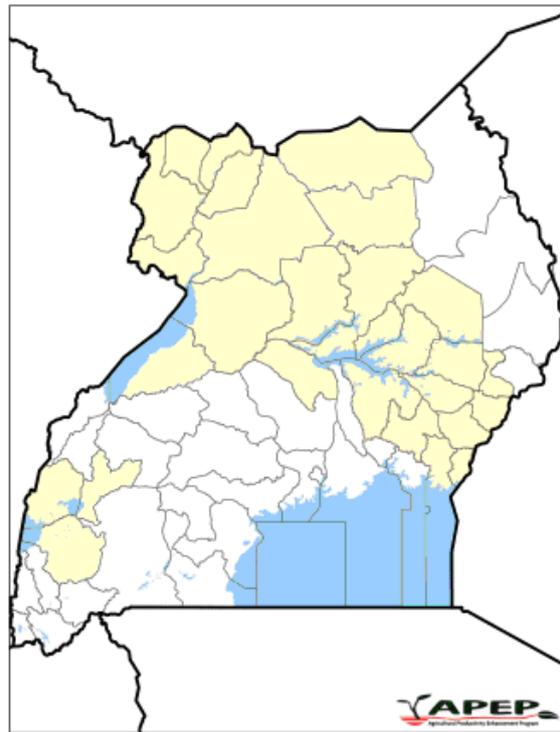
USAID APEP Commodity Intervention Areas



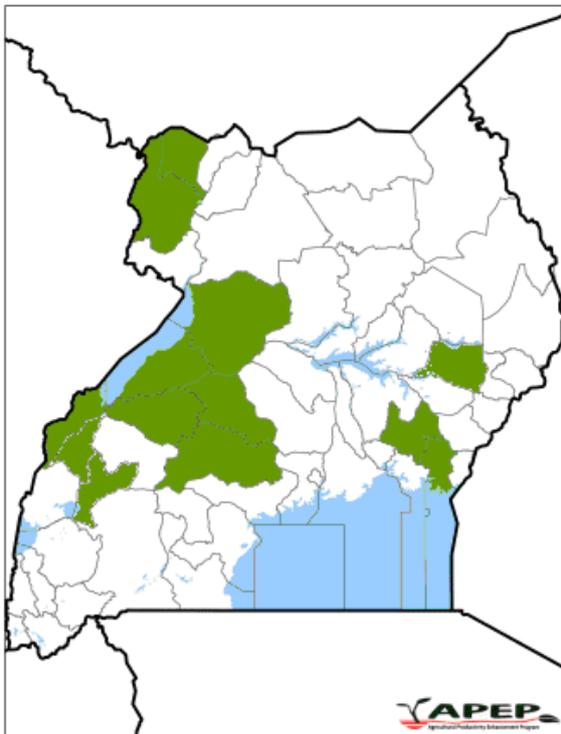
APEP Coffee Intervention Areas



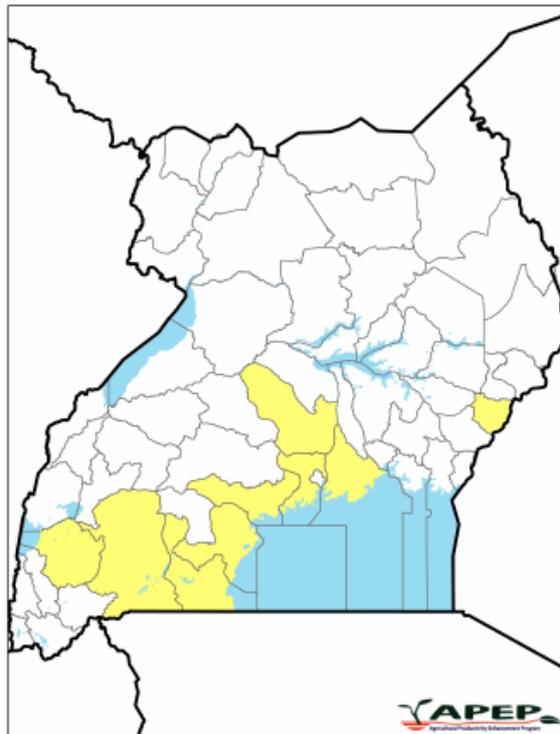
APEP Cotton Intervention Areas



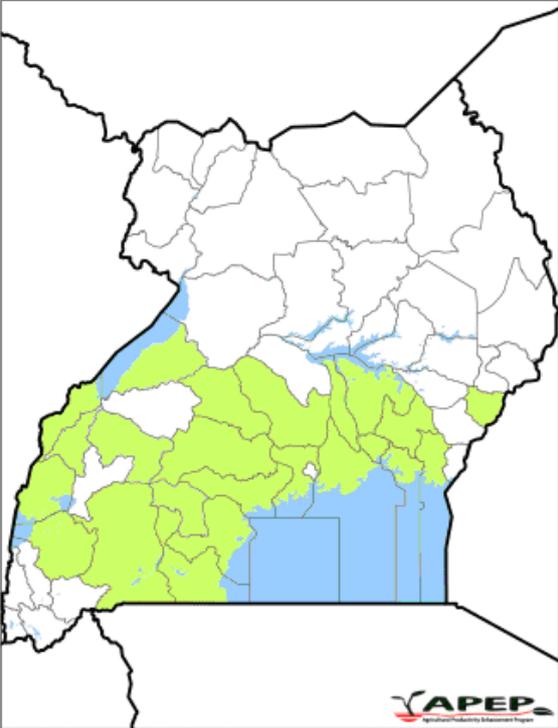
APEP Upland Rice Intervention Areas



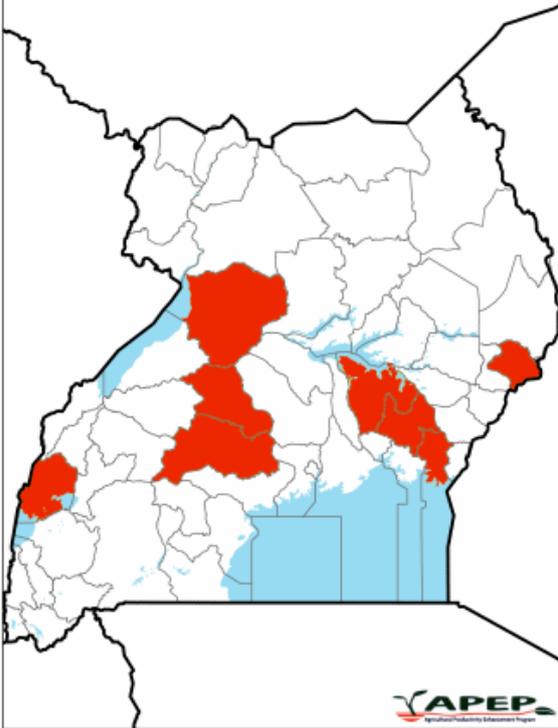
APEP Banana Intervention Areas



APEP Vanilla Intervention Areas



APEP Maize Intervention Areas



APEP Sesame and Sunflower Intervention Areas



ANNEX B**USAID APEP PMP Indicator Achievements**

Indicator	Unit of	Baseline	LOP target	2003/04	2004/05	2005/06	2006/07*	2006/07 as %
	measure	Value						of LOP Target
Average h/h income of APEP-supported producers (from APEP-supported commodities)	US\$ p.a	185.45	260.00	197.49	216.7	238.37	157.31	61%
% change(over baseline) in h/h income of APEP-supported producers	%	0	40%	6%	17%	29%	-15%	--
# of h/h supported by APEP	No	0	250,000	165,000	204,603	269,494	271,268	109%
# oh h/h with disability supported by APEP	No	0	5,000	0	1,358	2,471	2,915	58%
# of on- & off-farm jobs created	No	0	80,000	13,347	30,219	67,901	73,597	92%
# of on- & off-farm enterprises created	No	0	600	311	495	771	897	150%
Total production of APEP-supported crops								
- coffee	mt	160,000	200,000	151,383	150,113	120,139	87,518	44%
- cotton	mt	29,250	64,750	30,155	46,620	18,382	23,096	36%
- sunflower	mt	10,000	40,000	10,600	16,000	25,700	19,120	48%
- rice	mt	100,000	160,000	113,000	147,000	173,000	136,000	85%
- maize	mt	315,000	750,000	550,000	620,000	580,000	265,000	35%
- flowers	mt	4,424	7,000	6,284	7,286	7,596	3,283	47%
- banana	mt	8,000,000	11,000,000	8,200,000	8,500,000	8,350,000	4,300,000	39%
- green vanilla beans	mt	135	185	138	75	229	115	62%
Yields of APEP-supported crops (obtained from adopters)								
- coffee	mt/acre	0.290	0.500	0.350	0.600	0.450	0.460	92%
- cotton	mt/acre	0.200	0.600	0.460	0.525	0.250	0.285	48%
- sunflower	mt/acre	0.300	0.800	0.600	0.650	0.600	0.650	81%

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- rice	mt/acre	0.350	0.800	0.720	1.200	1.500	1.600	200%
- maize	mt/acre	0.550	2.000	1.500	1.500	1.600	1.750	88%
- flowers	mt/acre	11.000	15.000	12.000	12.500	13.250	13.400	89%
- banana	mt/acre	5.850	9.000	7.260	12.000	11.760	12.000	133%
- green vanilla beans	mt/acre	0.250	0.400	0.250	0.300	0.350	0.375	94%
Unit cost of production of APEP-supported crops								
- coffee	US\$/kg	0.270	0.180	0.245	0.206	0.229	0.229	79%
- cotton	US\$/kg	0.310	0.200	0.290	0.237	0.260	0.260	77%
- sunflower	US\$/kg	0.250	0.140	0.156	0.141	0.121	0.121	116%
- rice	US\$/kg	0.400	0.200	0.238	0.209	0.187	0.187	107%
- maize	US\$/kg	0.080	0.060	0.072	0.065	0.066	0.066	91%
- flowers	US\$/kg	n.a	n.a	n.a	n.a	n.a	n.a	n.a
- banana	US\$/kg	0.030	0.020	0.027	0.022	0.013	0.013	154%
- green vanilla beans	US\$/kg	0.700	0.550	0.633	0.626	0.650	0.650	85%
Value of targeted commodities marketed by APEP clients	US\$	106,000,000	150,000,000	112,448,014	122,277,184	192,910,800	47,365,500	32%
% change in value of targeted commodities marketed by APEP clients over baseline	%	0	40%	6%	15%	82%	-75%	-189%
Volume of targeted commodities marketed by APEP clients	mt	615,000	800,000	662,972	681,411	752,014	126,414	16%
% change in volume of targeted commodities marketed by APEP clients	%	0	30%	8%	11%	22%	-83%	-277%
Gross revenue of off-farm enterprises supported by APEP	US\$	140,000,000	225,000,000	151,482,439	166,340,898	212,201,880	52,102,050	23%
% change (over baseline) in gross revenue of off-farm enterprises supported by APEP	%	0	60%	8%	19%	52%	-75%	-126%
No of input suppliers serving APEP clients	No	0	400	177	281	472	571	143%
No of local credit service points reaching APEP clients	No	0	30	8	24	28	30	100%
Amount of credit provided to APEP-supported clients	US\$	612,000	900,000	830,867	1,404,485	1,953,685	1,300,073	144%
% change in amount of credit provided to APEP clients	%		45%	36%	129%	219%	-33%	-74%

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No of APEP-supported firms exporting agricultural products	No	0	100	19	68	74	75	75%
No of agricultural processors supported by APEP	No	0	50	20	52	60	61	122%
Output value of APEP-supported processors	US\$	65,331,921	130,000,000	65,331,921	87,984,372	146,221,505	76,500,000	59%
% change in output value of APEP-supported processors	%		100%	0%	35%	124%	-48%	-48%
No of APEP-supported firms managing outgrower schemes	No	0	25	7	12	12	14	56%
No of farmers involved in APEP-supported outgrower schemes	No	0	125,000	12,402	29,287	51,331	61,500	49%
No of public/private partners developed by APEP	No	0	125	29	32	40	40	32%
Amount of private sector resources leveraged through partnerships	US\$	0	6,000,000	1,442,203	3,171,332	11,580,464	12,171,553	203%
No of Depot committees (DCs) strengthened**	No	0	200	30	89	180	203	102%
No of producer organizations (POs) strengthened by APEP	No	0	200	290	763	1,631	3,461	1731%
Average group membership per PO	No	20	40	22	25	27	25	63%
% change in group membership of APEP-supported producer organizations	%	0	100%	10%	25%	35%	-7%	-7%
No of APEP-supported producers using improved technologies/practices	No	0	150,000	18,215	105,239	170,660	178,641	119%
Area cultivated using improved technologies	acres	0	150,000	74,078	99,880	142,363	102,813	69%
No of key policy/institutional constraints alleviated through APEP intervention	No	0	10	0	2	3	3	30%
No of key policy constraints that have been addressed through APEP intervention	No	0	15	2	5	7	7	47%
No of individuals trained by APEP in disciplines related to private sector agric	No	0	365,000	168,107	215,864	261,881	271,115	74%
No of individuals completing internships with private sector firms through APEP support	No	0	200	47	97	156	156	78%
No of biotech/biosafety regulations improved and in place	No	0	3	0	1	2	2	67%
No of APEP-funded research contracts implemented by public sector bodies	No	0	25	4	6	7	7	28%

* Figures for 2006/07 are only for half the year. Achievements as percent of LOP targets should therefore be considered in light of the fact that the 2006/076 figures are for half the year only.

* The previous indicator about producer organizations has been replaced with the concept of depot committees (which is an aggregate of POs)

ANNEX C**USAID APEP Active Client Portfolio**

No.	Client	Commodity	Location/District	Type of assistance offered by APEP
1	Africa 2000 - Network	Rice	Masaka, Rakai, Sembabule, Apac, Arua, Mubende, Kiboga, Wakiso, Nakasongola and Kaberamaido)	Technical assistance to rice farmers
2	Agriserve Ltd	Agro inputs	Nakasongola, Tororo, Mayuge	Credit guarantee
3	AGTL (PLC)	Biotech	Kampala	Technical assistance, linkages
4	Ankole Coffee Processing	Coffee	Ibanda - Mbarara	Finance, training, marketing support
5	Apac District Farmers Association	various	Apac	Technical support under Dutch Partnership
6	Arua District Farmers Association	various	Arua	Technical support under Dutch Partnership
7	Balton Uganda	Rice and cotton chemicals	Masindi, Iganga	Technical assistance/support in testing new rice chemicals
8	Bon Holdings East Africa	Cotton	Busoga sub-region	Training, demonstration activity and technical assistance
9	Bugiri Commercial Farmers Association	Maize, Upland rice	Bugiri	Training /technical assistance/support
10	Busanyi Agro Investment	Coffee	Mpigi	Financial, technical assistance
11	Bushenyi Cotton Company	Cotton	Bushenyi	Training, demonstration activity and technical assistance
12	CARE International	Sesame	Arua, Nebbi	Technical assistance, finance
13	Centenary Rural Development Bank (CERUDEB)	Maize, Rice, Cotton, Sunflower	12 branches (Mbale, Tororo, Mityana, Kyotera, Kasese, Hoima, Lira, Kiboga, Bugiri, Kyenjojo, Mbarara, Ishaka)	Training of bank staff and linkage of farmers
14	CN Cotton Ltd	Cotton	Kachumbala - Kumi	Training, demonstration activity and technical assistance
15	COPCOT East Africa	Cotton	West Nile sub-region	Training, demonstration activity and technical assistance
16	Cotton Development Organization	Cotton, biotech	National	Liaison on Cotton Industry, Biotech technology assistance
17	Cotton Network Farmers	Rice	Kigumba / Masindi	Technical assistance/support and testing of new Rice
18	Dabani Ginnery	Cotton	Busia	Training, demonstration activity and technical assistance
19	DFCU Bank	Agro inputs	Kapchorwa, Kampala	Technical Assistance, Credit Guarantee
20	Dunavant	Cotton	Lira	Training, demonstration activity and technical assistance
21	East Africa Seed	Agro inputs	Nakasongola	Credit guarantee
22	East African Maltings (U) Ltd	barley	Kabarole and Kapchorwa	Technical support and training
23	El-Shaddai	Agro inputs	Tororo, Mbale	Credit guarantee
24	Evergreen International	Agro inputs	Pallisa, Kabale,	Credit guarantee

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25	Farmers Voice Newspaper	Biotech	National	Training, communication
26	FICA Seed	All seeds, fertilizers	Masindi, Kasese, Kabarole, Nakasongola, Mayuge, Mubende	Technical assistance, credit guarantee
27	General and Allied	Agro inputs	Mubende, Pallisa, Kabale	Credit guarantee
28	Harvest Farm Seeds	All seeds	Kampala	Technical assistance
29	IBERO (U) Ltd	Coffee	Kamuli, Masaka (Bigasa)	Finance, training and extension support
30	Iganga Commercial Farmers Association	Maize, Upland rice	Iganga	Training /technical assistance/support
31	IITA	Banana/Coffee	Masaka, Rakai, Bushenyi, Mbarara, Mpigi, Wakiso, Mukono, Luwero, Mbale	Grant and Technical Assistance
32	INIBAP	Banana	Luwero, Mukono	Grant and Technical Assistance
33	Kaberamaido District Farmers Association	various	Kaberamaido	Technical support under Dutch Partnership
34	Kamuli Commercial Farmers Association	Maize, Upland rice	Kamuli	Training /technical assistance/support
35	Kapchorwa Commercial Farmers Association	Maize, Coffee, Barley	Kapchorwa	Training /technical assistance/support
36	Katakwi District Farmer Association	Various	Katakwi	Technical support under Dutch Partnership
37	Kawacom (U) Ltd	Coffee	Bushenyi and Kapchorwa	Training and technical assistance
38	Kaweri Coffee Farmers Alliance	Coffee	Mubende, Kampala	Finance, technical support
39	Keith Associates	Pesticides	Kampala	Finance, technical assistance.
40	Kiboga Commercial Farmers Association	Maize, Upland rice	Kiboga	Training /technical assistance/support
41	Kumi District Farmer Association	Various	Kumi	Technical support under Dutch Partnership
42	Lira District Farmer Association	Various	Lira	Technical support under Dutch Partnership
43	Lumino Rice Company	Rice	Pabbo - Gulu	Technical assistance/support and linking to standard loans
44	MAAIF	Biotech, All crops	National	Biotech policy, technical assistance
45	MFPED	Biotech	Kampala	Training
46	Mt Elgon Seed Co	Agro inputs	Kapchorwa	Credit guarantee
47	MTL (U) Ltd	Coffee	Mbale, Manafa and Sironko	Training and extension support and grant
48	Mubende Commercial Farmers Association	Maize	Mubende	Training /technical assistance/support
49	MUK	All APEP commodities, biotech	Kampala	Training, capacity building
50	Mukwano Agro Projects	Sunflower	Lira, Apac, Masindi	Technical assistance and finance
51	NAADS	Rice	Country-wide	Technical assistance/support
52	NARO	All APEP commodities, biotech	Wakiso, Soroti, Mukono, national	Finance, training, capacity building

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53	NASECO Seed	Field crop seeds	Kibaale, Mayuge, Pallisa	Technical assistance, credit guarantee
54	NBC	Biotech/Biosafety	National	Training, technical assistance
55	North Bukedi Cotton Company	Cotton	Mbale / Pallisa	Training, demonstration activity and technical assistance
56	Novo Enterprises	Cotton	Tororo	Training, demonstration activity and technical assistance
57	Nyakatonzi Coop Union	Cotton	Kasese	Training, demonstration activity and technical assistance
58	Nyati Rice Millers	Upland rice	Hoima	Training/support for demonstration activity
59	Office of Vice President	Rice	Luwero, Rukungiri, Bundibugyo, Kyenjojo	Technical assistance/support
60	Olam (U) Ltd	Coffee	Rakai, Nakaseke	Financial, technical assistance
61	Olam (U) Ltd	Rice	Kumi	Technical and market linkage through PO
62	Olam (U) Ltd	Sesame	West Nile	Technical and market linkage through PO
63	Olam (U) Ltd	Cotton	National	Technical assistance
64	Outspan Enterprises Ltd	Sesame	Lira, Kaberamaido, Apac	Technical assistance and finance
65	Pearl Flowers	Flowers	Ntungamo	Grant and Technical Assistance
66	Pramukh Agro Industries	Cotton	Busembatya - Iganga	Training, demonstration activity and technical assistance
67	Roka Ale Trading Company Ltd	Sesame	Nebbi, Arua, Yumbe, Moyo	Technical assistance and finance
68	Rwenzori Vanilla Association	Cardamom, vanilla	Bundibugyo	Grant and technical assistance
69	Savannah	Upland rice	Masindi	Outgrower, technical assistance, finance
70	Shares! (U) Ltd	Sesame	Lira, Apac	Technical assistance, finance
71	Singh Farmers Ltd	Rice	Pakanyi / Masindi	Technical assistance
72	Soroti District Farmer Association	various	Soroti	Technical support under Dutch Partnership
73	South Base Agro Industries	Cotton	Tororo	Training, demonstration activity and technical assistance
74	Stanbic Bank	Maize/Seed	Kapchorwa, Kampala	Technical Assistance, Credit Guarantee
75	Standard Chartered Bank (SCB)	Maize	Kampala	Technical assistance and linkage of farmers
76	Sunrise	Upland rice	Kabarole	Outgrower, technical assistance, finance
77	Support Organization for Micro Enterprises Development (SOMED)	Rice	Masindi	Technical assistance/support
78	Tilda	Upland rice	Bugiri	Outgrower, technical assistance, finance
79	Twiga Chemicals	Agro chemicals, ULV pumps	Kampala	Technical assistance, marketing support
80	Uchumi Commodities	Upland Rice, fertilizers	Various	Upland rice production project development, linkages
81	UFEA	Flowers & Cuttings	Kampala, Wakiso, Mpigi, Mukono	Grant, technical assistance, training and research

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82	Uganda Breweries Ltd	Barley	Kapchorwa, Kampala, Kabarole	Technical assistance, finance
83	Uganda Crop Industries	Cardamom, Vanilla	Lugazi - Mukono	Grant and technical assistance
84	Uganda Ginners & Cotton Exporters Association (UGCEA)	Cotton	Kampala	Liaison on Cotton Industry
85	UGTL	Maize, Barley, Rice	Kampala	Finance, technical assistance
86	UNBS	Biotech	Kampala	Food safety, biosafety, training
87	UNCST	Biotech	National	Biotech policy, training and finance
88	UNEX (U) Ltd	Coffee	Bushenyi	Training and extension support
89	VANEX	Vanilla	Kampala	Grant, training, and extension support
90	Victoria Seeds	All seeds	Kampala	Finance, technical assistance
91	Western Uganda Cotton Company	Cotton	Masindi	Training, demonstration activity and technical assistance
92	Xclusive Cuttings	Cut/Pot Plants & Fruits	Mairye - Wakiso	Grant
93	Yumbe District Farmers Association	Sesame	Yumbe	Technical support under Dutch Partnership
94	Pearl Flowers	Flowers	Ntungamo	Grant and technical assistance
95	Rwenzori Vanilla Project Development Association (RVDPA)	Cardamom & Vanilla	Bundibugyo	Grant and technical assistance
96	Ugacof Ltd	Coffee	Kamuli, Iganga, Masaka	Grant and technical assistance
97	Kyagalanyi (U) Ltd	Coffee	Mukono	Grant and technical assistance
98	Sanyu Agro Industries Ltd	Sunflower	Nebbi	Grant and technical assistance
99	Afro Kai Ltd	Barley	Kabarole, Kasese	Grant and technical assistance
100	Rwenzori Upland Rice Company	Upland rice	Kabarole	Technical assistance
101	Kilimanjaro Rice Company	Upland rice	Kampala	Technical assistance
102	Uganda Upland Rice Miller	Upland rice	Jinja	Technical assistance
103	SOMED	Upland rice	Masindi	Technical assistance and demonstration support
104	Rwimi Commercial Upland Rice Processing	Upland rice	Kabarole	Technical assistance
105	Mega Distillers/Masindi District Farmers Association	Upland rice	Masindi	Technical assistance
106	USTA	Seeds	Kampala	Technical assistance
107	UNADA	Agro-inputs	Kampala	Technical assistance, credit guarantee scheme

ANNEX D**USAID APEP Supported Training Events****OCTOBER 2006 TO MARCH 2007**

Commodity	Location	Type of training	Target Audience	Number of participants trained			Training Purposes
				Total	Males	Females	
Banana	Busangayi II	field day	banana farmers	28	20	8	improve banana productivity
Banana	Bushenyi	workshop, seminar	banana farmers and traders	65	51	14	improvement of banana productivity
Banana	Bushikwa	field day	banana farmers	29	18	11	banana improvement
Banana	Manafa	field day	banana farmers	39	21	18	banana improvement
Banana	Manafa	seminar	banana farmers and traders	135	75	60	improve banana productivity
Banana	Masaka	workshop, seminar, tour	banana farmers	201	85	116	to improve banana yield through improved management practices
Banana	Masaka	tour	banana farmers	219	99	120	to improve banana yield through improved management practices
Banana	Masaka	workshop, Seminar	banana farmers and traders	164	53	111	to improve banana production and productivity
Banana	Masaka	workshop, seminar, field day	banana farmers and traders	177	83	94	how to improve banana production and marketing
Banana	Masaka	field day	banana farmers and traders	115	53	62	how to improve banana production and marketing
Banana	Mbale	banana farmers and traders	banana farmers	243	151	92	improve management practices
Banana	Mbarara	workshop, seminar	banana farmers	89	51	38	improve banana production and productivity
Banana	Mbarara	field day	banana farmers and traders	84	54	30	improve banana production and productivity
Banana	Mpigi	workshop, field day	banana farmers	93	36	57	improve banana production
Banana	Rakai	workshop, seminar	Banana farmers	161	78	83	Improved banana productivity and credit linkage
Banana	Rakai	workshop, training	banana farmers	88	52	36	improving banana productivity, credit linkage

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Banana	Rakai	banana farmers and traders	banana farmers and traders	174	78	96	improve banana production and productivity, improve soil fertility, management and control pests and diseases
Banana	Rakai	workshop seminar	banana farmers and traders	106	44	62	improve banana production and productivity
Banana	Rakai	workshop, seminar	banana farmers	90	34	56	improve banana production and productivity
Banana	Rakai	workshop, seminar	banana farmers and traders	164	79	85	improve banana production
Banana	Rakai	workshop, seminar	Banana farmers	129	60	69	improve productivity through improved management practices
Banana	Rakai	tour, field day, workshop	banana farmers and traders	86	35	51	to improve banana yield through improved management practices
Banana	Wakiso	Banana training	banana farmers	118	50	68	improve banana production,
Barley	Kapchorwa	workshop	lead farmers	68	58	10	Enhancement of barley productivity
Barley	Kapchorwa	field	collaborating farmers	2066	1578	488	Enhancement of barley productivity
Sesame	Nebbi	workshop, seminar	Depot committee training coordinators	13	13	0	Enhancement of sesame productivity through organized farmers,
Sesame	Yumbe	Field day	Area and site coordinators	17	16	1	Enhancement of sesame productivity
Sunflower	Apac	field day	site coordinators	12	12	0	enhancement of sunflower productivity
Sunflower	Apac	workshop	site coordinators	12	11	1	enhancement of sunflower productivity
Sunflower	Lira	field day	site coordinators	22	21	1	Enhancement of sunflower productivity
Sunflower	Apac		site coordinators	16	15	1	enhancement of sunflower productivity
Sunflower	Nebbi	Workshop/seminar	Depot committee training coordinators	8	6	2	Enhancement of sunflower productivity through organized farmers
				5031	3090	1941	

ANNEX E**USAID APEP SAF Tracker**

No.	Client Name	Activity Description	Activity Duration		Agreement Amount (US\$)	Agreement Amount (USD)	Cost-Share Amount (USD)	Agreement Amount Remaining (US\$)	Agreement Amount Remaining (USD)
			Start date	End date					
1	New Vision - RFP cotton sprayer solicitation	RFP solicitation for hand-held pesticide sprayers to be used in the cotton industry. Advert appeared in the New Vision on April 1, 2004.	01-Apr-04	01-Jul-04	569,410		\$0	completed	
2	New Vision - vanilla promotion	Vanilla industry promotion appearing in New Vision vanilla supplement. Other contributors to the supplement included VANEX, ESCO, and UCIL.	07-Jun-04	07-Jun-04	1,920,000		\$1,450	completed	
3	Fisheries Resources Research Institute (FIRRI)	Commercialization of aquaculture through research activities on Nile perch, Nile tilapia & Cage culture. This program was cost-shared with ADB and NARO.	1-May-04	31-Oct-04, extended to 31-Dec-04	189,379,500		\$58,947	completed	
4	Uganda Crop Industries Limited (UCIL)	Cardamom development and distribution of 249,900 seedlings in Mukono and Bundibugyo.	1-May-04	31-Dec-05		\$99,960	\$412,665		completed
5	Micron Sprayers Limited	Procurement of 6,000 ultra low volume handheld spinning disc sprayers for use in the cotton industry.	20-Apr-04	20-Apr-05		\$243,060	\$0		completed
6	Mukwano A.K.Oils & Fats (U) Ltd	Establishment and maintenance of 600 sunflower demonstration sites for increased production and improved technology transfer in the Northern region. The districts impacted include Lira, Apac and Masindi.	1-May-04	30-Sep-04	89,484,000		\$21,764	completed	
7	COPCOT (E.A) Ltd	Establishment and maintenance of 850 cotton demonstration sites for increased production and improved technology transfer in the West Nile region. The districts impacted include Arua, Nebbi, Yumbe, Moyo and Adjumani.	1-May-04	28-Feb-05	119,423,100		\$71,920	completed	
8	Dunavant Uganda Ltd	Establishment and maintenance of 1500 cotton demonstration sites for increased production and improved technology transfer in the Northern region. The districts impacted include Lira, Nakasongola, Apac, Gulu, Kitgum and Pader.	1-May-04	28-Feb-05	174,469,500		\$137,215	completed	
9	Bon Holdings Ltd	Establishment and maintenance of 720 cotton demonstration sites for increased production and improved technology transfer in the Busoga region. The districts impacted include Iganga, Bugiri, Kamuli and Mayuge.	1-May-04	28-Feb-05	95,768,640		\$60,912	completed	
10	North Bukedi Cotton Company Ltd	Establishment and maintenance of 1300 cotton demonstration sites for increased production and improved technology transfer in the Eastern region. The districts impacted include Pallisa, Mbale and Sironko.	1-May-04	28-Feb-05	151,206,900		\$112,853	completed	
11	COTTCO (U) Ltd	Establishment and maintenance of 500 cotton demonstration sites for increased production and improved technology transfer in the Mid-Western region. The districts impacted include Masindi, Hoima and Kiboga.	1-May-04	28-Feb-05	66,156,500		\$43,405	completed	

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12	Nyakatonzi Co-operative Union Ltd	Establishment and maintenance of 950 cotton demonstration sites for increased production and improved technology transfer in the Southwestern region. The districts impacted include Kasese, Kyenjojo, Bushenyi and Rukungiri.	18-Jun-04	30-Apr-05	110,498,300		\$82,470	completed	
13	Novo Enterprises Ltd	Establishment and maintenance of 300 cotton demonstration sites for increased production and improved technology transfer in the Eastern region. The districts impacted include Tororo and Busia.	1-May-04	28-Feb-05	34,893,900		\$26,043	completed	
14	C.N.Cotton Ltd	Establishment and maintenance of 440 cotton demonstration sites for increased production and improved technology transfer in Eastern region. The districts impacted include Kumi, Soroti and Katakwi.	1-May-04	28-Feb-05	51,177,720		\$38,196	completed	
15	Xclusive Cuttings (U) Ltd	Conduct research and trials of 50 different cut plants, potted plants, garden plants, and fruits to determine new varieties for commercial production in Uganda.	20-May-04	1-Jun-05		\$86,767	\$90,950	-	completed
16	Banana Bacterial Wilt campaign	Production and distribution of 90,000 posters and brochures for the dissemination of information about Banana Bacterial Wilt throughout Uganda. This activity was cost-shared through a working group comprised of Eco-Trust, ASPS II, NAADS, and MAAIF.	2-Sep-04	30-Jun-05	23,281,250		\$62,778	-	completed
17	Uganda Flower Exporters Association (UFEA)	Strengthening of the floriculture industry by supporting 1) a UFEA research and training specialist 2) the Applied Tropical Floriculture Course 3) the implementation of IPM spider mite control in roses.	7-Jun-04	31-May-07		\$188,635	\$75,240	-	\$51,785
18	International Food Policy Research Institute (IFPRI)	Conduct research and database analysis of improved banana production and technologies in Uganda and East Africa.	24-May-04	28-Feb-05		\$50,000	\$0	-	completed
19	Ibero (Uganda) Ltd	Establishment of an integrated outgrower scheme with 3,000 coffee farmers in Masaka and Kamuli. The sustainability program will improve production technologies, increase quality, and build producer-market alliances.	24-May-04	01-Jun-05		\$45,840	\$68,000	-	completed
20	Mukwano A.K.Oils & Fats (U) Ltd Season B 2004	Expansion of technology transfer program to include 1000 sunflower demonstration sites and 200 sesame demonstration sites in the Northern region. The districts impacted include Lira, Apac and Masindi.	01-Jul-04	31-Dec-05	65,308,600		\$127,500	completed	
21	Uganda National Council for Science and Technology (UNCST)	Establishment of the Biosafety Desk Office and Biosafety Desk Officer. The Office will plan for the development of biosafety in Uganda, coordinate national biosafety activities, and provide information on international and national development trends in biosafety.	01-Aug-04	31-Dec-07		\$86,943	\$0	-	\$42,789
22	The Association of the Vanilla Exporters of Uganda (VANEX)	Strengthening of the vanilla industry through the establishment and maintenance of 60 demonstration gardens, a comprehensive training program, public education campaign, and export marketing support.	01-Nov-04	31-Oct-07	390,100,190		\$81,122	67,200,047	
23	International Foundation of Organic Agriculture Movements (IFOAM)	Sponsorship of the international organic coffee conference in Entebbe. Compilation and publication of the conference proceedings and presentations. The IFOAM conference was sponsored with support from UCDA, EPOPA, CTA, SIDA, and corporate contributors.	13-Aug-04	31-Oct-04		\$5,000	\$333,918	-	completed
24	Sai Farms	Conduct an Environmental Impact Assessment on flower farm for NEMA clearance and certification.	29-Sep-04	15-Nov-04	3,600,000		\$2,000	completed	

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25	Serere Agricultural and Animal Research Institute (SAARI)	Evaluation, identification, and introduction of high yielding sunflower hybrids for production in Uganda.	5-Jan-05	31-May-06	21,816,000		\$7,397	completed	
26	Uganda Breweries Ltd.	Establishment of 64 barley demonstration plots. Supply technologies for production and processing, exposing at least 1600 farmers to improved technologies.	14-Mar-05	28-Feb-06	11,280,000		\$65,709	completed	
27	Uganda Grain Traders Ltd	Training in maize for 500 farmers in the 6 districts of Mubende, Kiboga, Kamuli, Iganga, Bugiri and Kapchorwa.	21-Mar-05	20-Mar-06	20,160,000			completed	
28	Savannah Commodities Ltd.	Establishment of 100 Upland Rice demonstration plots in Masindi district. Train 2000 farmers in Upland Rice extension services and management.	24-Mar-05	28-Feb-06	31,640,000		\$410,266	completed	
29	Sunrise Commodities and Millers Ltd.	Establishment of 170 Upland Rice demonstration plots in Kabarole district. Train 2500 farmers in Upland Rice extension services and management using improved technologies/practices.	24-Mar-05	28-Feb-06	43,961,400		\$568,636	completed	
30	Rwenzori Vanilla Association Project	Training in cardamom growing for 700 farmers in Bundibugyo district. Development of cardamom training manual for use during the 40 district-wide workshops.	1-Apr-05	30-Jun-06	12,580,000		\$6,012	completed	
31	Ankole Coffee Processors Ltd	Training 600 farmers in coffee production using improved technologies and methods. Maintain 32 demonstration plots in Ibanda district.	2-Jun-05	28-Feb-07	89,028,000		\$42,529	completed	
32	A.K.Oils & Fats (U) Ltd	Establishment and maintenance of 1,700 sunflower demonstration sites for increased production and improved technology transfer in the Northern & Eastern regions. The districts impacted include Lira, Apac, Masindi and Sironko.	23-May-05	1-Jan-06	89,005,000		\$84,482	completed	
33	COPCOT (E.A) Ltd	Establishment and maintenance of 855 cotton demonstration sites for increased production and improved technology transfer in the West Nile region. The districts targeted include Arua, Nebbi, Yumbe, Moyo and Adjumani.	17-May-05	28-Feb-06	70,357,500		\$68,020	completed	
34	Dunavant Uganda Ltd	Establishment and maintenance of 1,440 cotton demonstration sites for increased production and improved technology transfer in the Northern region. The districts targeted include Lira, Nakasongola, Apac, Gulu, Kitgum and Pader.	23-May-05	28-Feb-06	111,015,000		\$110,989	completed	
35	Bon Holdings Ltd	Establishment and maintenance of 680 cotton demonstration sites for increased production and improved technology transfer in the Busoga region. The districts targeted include Iganga, Bugiri, Kamuli and Mayuge.	17-May-05	28-Feb-06	51,273,000		\$59,483	completed	
36	North Bukedi Cotton Company Ltd	Establishment and maintenance of 1,170 cotton demonstration sites for increased production and improved technology transfer in the Eastern region. The districts targeted include Pallisa, Mbale and Sironko.	23-May-05	28-Feb-06	81,315,000		\$96,794	completed	
37	COTTCO (U) Ltd	Establishment and maintenance of 675 cotton demonstration sites for increased production and improved technology transfer in the Mid-Western region. The districts targeted include Masindi, Hoima and Kiboga.	17-May-05	28-Feb-06	55,822,500		\$49,057	completed	
38	Nyakatonzi Co-operative Union Ltd	Establishment and maintenance of 810 cotton demonstration sites for increased production and improved technology transfer in the Southwestern region. The districts targeted include Kasese, Kyenjojo, Bushenyi and Rukungiri.	1-Jun-05	30-Apr-06	64,179,000		\$67,011	completed	
39	Novo Enterprises Ltd	Establishment and maintenance of 540 cotton demonstration sites for increased production and improved technology transfer in the Eastern region. The districts	17-May-05	28-Feb-06	44,658,000		\$36,531	completed	

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		targeted include Tororo and Busia.							
40	C.N.Cotton Ltd	Establishment and maintenance of 630 cotton demonstration sites for increased production and improved technology transfer in Eastern region. The districts targeted include Kumi, Soroti and Katakwi.	17-May-05	28-Feb-06	51,750,000		\$50,291	completed	
41	International Institute of Tropical Agriculture (IITA)	Increasing Profitability of bananas in Uganda through Improved agronomic management. Identify opportunities and constrains for improvement of Banana-Coffee intercropping systems and Enhancing banana productivity by disseminating new hybrids to farmers.	1-Oct-05	31-Mar-08	296,210,701		\$189,182	207,625,153	
42	International Network for the Improvement of Banana & Plantain (INIBAP)	Assessing Banana Bacterial Wilt Control Options	1-Oct-05	28-Feb-07	48,189,000		\$31,168	8,858,853	
43	Kawacom (U) Ltd.	Convert 2,000 farmers over the 2 ½ years project period in the Bushenyi District from their traditional method of dry production to supplying red cherries for wet processing.	16-Dec-05	15-May-08	178,250,000		\$344,476	116,474,503	
44	Pearl Flowers Ltd.	Establishment of a new farm at a higher altitude using the new Hydroponics technology for cultivating cut flowers (roses).	16-Dec-05	31-Dec-07	179,190,000		\$6,285,585	71,676,000	
45	Ibero (Uganda) Ltd - 2006/2008	Increasing coffee production in the Bigasa Sub county, Masaka district and Kisozi sub county in Kamuli. The project targets 3,000 small holder coffee farmers in Bigasa and 3,500 small holder coffee farmers in Kisozi.	1-Apr-06	31-Mar-08	179,860,000		\$142,820	128,240,040	
46	Main Traders Ltd (MTL)	Introduction of Coffee washing stations, coffee drying technologies, establishment of coffee demo plots, training of trainers in Mbale, Sironko and Manafa Districts	1-Apr-06	31-Mar-08	179,791,200		\$682,155	89,187,732	
47	Olam Uganda Limited	Transfer of best agronomic practices and initiation of direct market linkages for farmer organizations and; ultimately lead to registration of Utz Kapeh certification of 3,000 coffee farmers in Nakaseke district	1-Apr-06	31-Mar-08	179,104,000		\$99,723	150,942,440	
48	NKG Coffee Alliance Trust	Empowering farmer groups to take responsibility for the primary level of marketing of their own coffee; training in post harvest operations; increasing value of their coffee through washed coffee and encourage farmers take responsibility for the correct quality enhancement procedures in Mubende District	1-Apr-06	31-Mar-08	179,188,000		\$101,067	134,783,835	
49	Uganda Breweries Ltd. (2006/7)	Barley Production in Kabarole and Kapchorwa Districts	1-Apr-06	31-Mar-07	41,823,000		\$14,253	1,676,100	

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50	Promain Ingenieria Ltd.	Procurement of 2 Mobile Coffee Wet Processors for use in the coffee industry.	6-Jun-06	31-Aug-06			\$34,500			completed
51	Dunavant Uganda Ltd (2006/7)	Establishment and maintenance of 200 cotton demonstration sites for increased production and improved technology transfer in Nakasongola district and Northern Uganda Support to IDP production of good crops and cotton	4-May-06	28-Feb-07	75,385,000		\$12,001	6,829,000		
52	Bon Holdings Ltd (2006/7)	Establishment and maintenance of 800 cotton demonstration sites for increased production and improved technology transfer in the Busoga region. The districts impacted include Iganga, Bugiri, Kamuli and Mayuge.	4-May-06	28-Feb-07	53,440,000		\$47,871	6,633,750		
53	North Bukedi Cotton Company Ltd (2006/7)	Establishment and maintenance of 1000 cotton demonstration sites for increased production and improved technology transfer in the Eastern region. The districts impacted include Pallisa, Mbale and Sironko.	4-May-06	28-Feb-07	66,800,000		\$59,838	1,601,600		
54	Western Cotton Company Limited (2006/7)	Establishment and maintenance of 700 cotton demonstration sites for increased production and improved technology transfer in the Mid-Western region. The districts impacted include Masindi, Hoima and Kiboga.	4-May-06	28-Feb-07	46,760,000		\$42,003	11,527,725		
55	Novo Enterprises Ltd (2006/7)	Establishment and maintenance of 700 cotton demonstration sites for increased production and improved technology transfer in the Eastern region. The districts impacted include Tororo and Busia.	4-May-06	28-Feb-07	46,760,000		\$41,887	1,921,500		
56	Nyakatonzi Co-operative Union Ltd (2006/7)	Establishment and maintenance of 700 cotton demonstration sites for increased production and improved technology transfer in the Eastern region. The districts impacted include Kasese, Bushenyi, Kamwenge and Kanungu District	3-Jul-06	30-Apr-06	46,200,000		\$41,171	6,201,400		
57	Kyagalanyi Coffee Ltd	Replanting of Robusta coffee and the certification of smallholder coffee growers in Nakanyonyi-Mukono District	12-Jul-06	28-Feb-08	142,910,000		\$264,043	103,037,104		
58	Ugacof Ltd.	Improvement of yield and quality of coffee beans through the use of mobile washing, depulping and demucileaging units	12-Jul-06	31-May-08	142,491,139		\$104,566	109,285,318		
59	KACOFA	Increasing small householder coffee yield and quality in Kapchorwa and Bukwa Districts	1-Jul-06	30-Apr-08	20,020,000		\$76,264	14,622,676		

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60	SOMED	Rice initiative development scheme in Masindi, Gulu and Kibaale districts targeting 1,300 small holder farmers through establishment of 140 demonstration plots	12-Feb-07	31-Mar-08	34,330,000		\$173,639	25,242,800	
61	Upland Rice Millers Ltd.	Establish a viable rice out growers scheme in Kumi and Bukedea with establishment of 70 demonstration plots targeting 1,200 small holder farmers	12-Feb-07	31-Mar-08	26,625,000		\$96,717	22,591,000	
62	Ecomax	Upland rice out growers' scheme project support and extension services program targeting 1,000 small holder farmers for improved technologies through establishment of 80 demonstration plots in Luwero and Semuto	12-Feb-07	31-Mar-08	28,360,000		\$121,717	22,708,000	
63	Sunrise Commodities and Millers Ltd. 2007/8	Upland rice promotion in Refugee re-settlement camp Chaka - Rice Market linkage by Sunrise/Chaka IDP farmers in Kyenjojo district through demonstration of 80 demonstration plots targeting 2,500 small holder farmers exposed to improved technologies	12-Feb-07	31-Mar-08	23,250,000		\$178,417	16,059,600	
64	A.K.Oils & Fats (U) Ltd (2006/7)	Sunflower Production in Oyam, Apac, Lira and Masindi districts through establishment of 1200 demonstration plots targeting 30,000 small holder farmers exposed to improved technologies	1-Mar-07	31-Mar-08	44,775,000		\$60,178	44,775,000	
65	Olam Uganda Limited (Sesame)	Promotion of Sesame Production in West Nile Region through the establishment of 500 demonstration plots targeting 5,000 small holder farmers in the districts of Nebbi, Arua and Yumbe exposed to improved technologies	5-Feb-07	31-Mar-08	44,867,500		\$5,000	38,987,994	
66	Sanyu Agro Industries Ltd.	Sunflower Production in West Nile Region through the establishment of 300 demonstrations targeting 3,000 small holder farmers exposed to improved technologies	22-Feb-07	31-Mar-08	33,090,000		\$4,833	31,528,955	
					4,754,747,450	\$840,705	\$12,853,128	1,440,218,124	\$94,574

PRIVATE SECTOR FUNDS LEVERAGED

AMOUNT AWARDED IN USD	
USH awards	\$2,641,526
USD awards	\$840,705
Total awards	\$3,482,231

AMONT REMAINING	
SAF remaining	\$252,965
% awarded	93.23%
% remaining	6.77%

	Private sector funds leveraged	APEP funds leveraged through SAF
UCIL	\$412,665	\$99,960
A.K. Oils & Fats (2004/5)	\$141,213	\$82,528
Copcot (2004/5)	\$71,920	\$62,854
Dunavant (2004/5)	\$137,215	\$91,826
Bon Holdings (2004/5)	\$60,912	\$50,405
North Bukedi (2004/5)	\$112,853	\$79,583
Cottco (2004/5)	\$43,405	\$34,819
Nyakatonzi (2004/5)	\$82,470	\$58,157
Novo (2004/5)	\$26,043	\$18,365
CN Cotton (2004/5)	\$38,196	\$26,936
Xclusive Cuttings	\$90,950	\$86,767
UFEA	\$75,240	\$188,635
Ibero	\$68,000	\$45,840
VANEX	\$81,122	\$224,409
Sai Farms	\$2,000	\$2,081
UBL	\$65,709	\$6,520
Sunrise	\$575,210	\$25,121
Savannah	\$415,009	\$18,080
Rwenzori	\$6,012	\$7,272
Ankole Coffee	\$42,529	\$49,460
A.K.Oils & Fats (2005/6)	\$84,482	\$50,698
COPCOT (2005/6)	\$68,020	\$40,204
Dunavant (2005/6)	\$110,989	\$63,437
Bon Holdings (2005/6)	\$59,483	\$29,299
North Bukedi (2005/6)	\$96,794	\$46,466
Cottco (2005/6)	\$49,057	\$31,899
Nyakatonzi (2005/6)	\$67,011	\$36,674
Novo (2005/6)	\$36,531	\$25,519
CN Cotton (2005/6)	\$50,291	\$29,571
Kawacom (U) Ltd.	\$344,476	\$76,139
Pearl Flowers Ltd.	\$6,285,585	\$99,000
Ibero (U) Ltd (2006/8)	\$142,820	\$99,922
Main Traders Ltd (MTL)	\$682,155	\$99,884
Olam Uganda Limited	\$99,723	\$99,502

Chemonics International Inc.

NKG Coffee Alliance Trust	\$101,067	\$99,549
Dunavant (2006/7)	\$12,001	\$41,881
Bon Holdings (2006/7)	\$47,871	\$29,607
North Bukedi (2006/7)	\$59,838	\$37,008
Western Uganda (2006/7)	\$42,003	\$25,978
Nyakatonzi (2006/7)	\$41,171	\$24,973
Novo (2006/7)	\$41,887	\$25,906
UBL	\$14,253	\$23,235
Kyagalanyi Coffee Ltd	\$264,043	\$78,522
UGACOF Ltd	\$104,566	\$78,292
KACOFA	\$76,264	\$11,000
SOMED	\$173,639	\$19,072
Upland Rice Millers Ltd.	\$96,717	\$14,792
Ecomax	\$121,717	\$15,756
Sunrise 2007/8	\$178,417	\$12,917
A.K.Oils & Fats (2006/7)	\$60,178	\$24,875
Olam (Sesame) (2006/7)	\$5,000	\$24,926
Sanyu Agro Industries Ltd.	\$4,833	\$18,383
TOTAL	\$12,171,553	\$2,694,502