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**Uganda Agricultural Productivity
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Second Annual Progress Report
October 2004 to September 2005



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Second Annual Progress Report

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The authors views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

APEP Intervention Districts

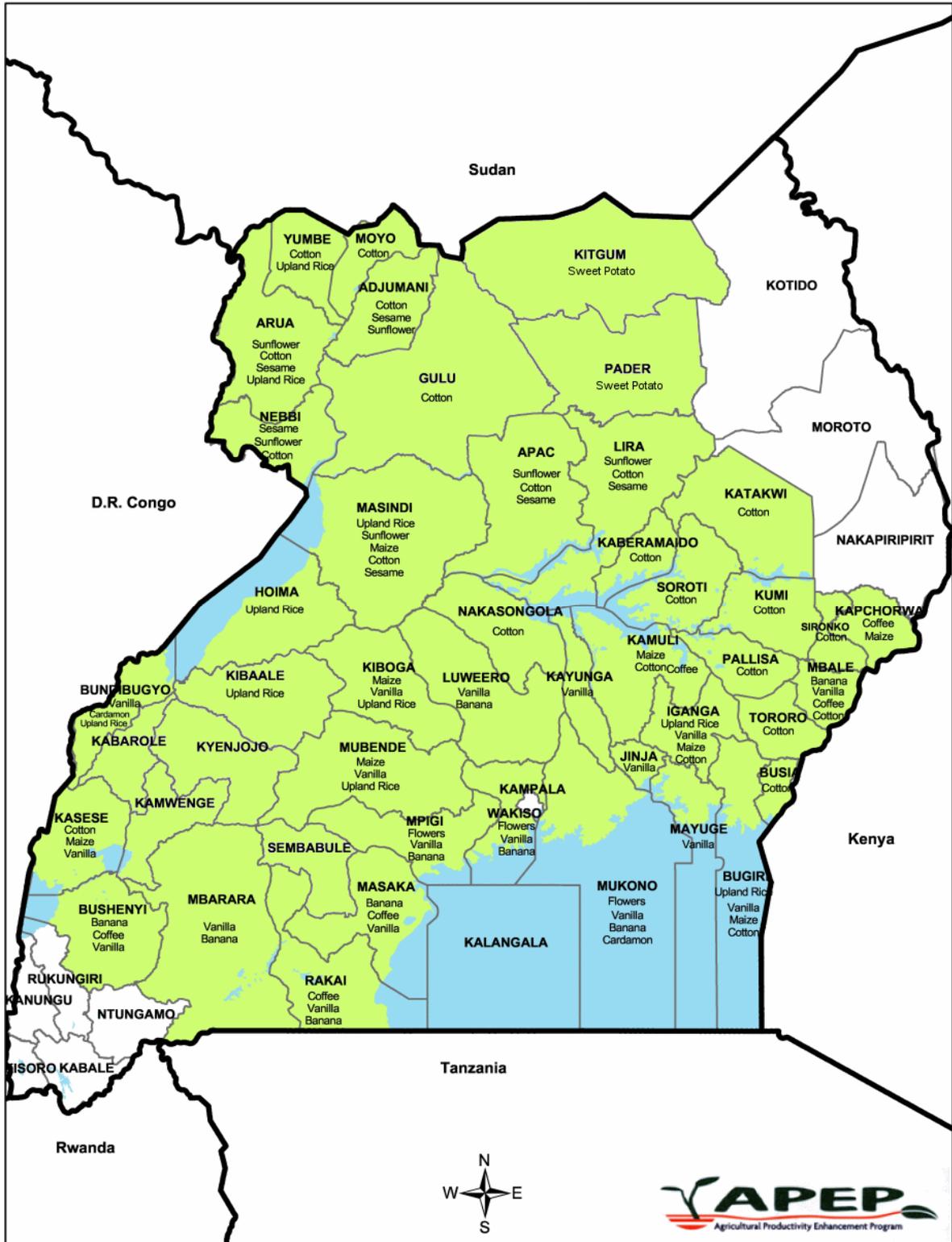


TABLE OF CONTENTS

Table of Contents.....	i
List of Exhibits	Error! Bookmark not defined.
List of Acronyms.....	v
Executive summary	8
OVERVIEW OF CLIMATIC CONDITIONS AND COMMODITY PRICES.....	8
APEP COMMODITY PERFORMANCE	9
Introduction	1
A. Organizational Structure.....	1
B. Results Framework.....	2
C. Overview of the Climatic Conditions and Commodity Prices	5
D. APEP Commodity Overview	5
Progress by project intermediate results	14
A. PIR 1. Increased Enterprise Efficiencies	14
Objective 1: Expand Access to Agribusiness Services.....	14
Objective 2: Increase Access to Markets.....	21
Objective 3: Identify and Support Producer-Market Alliances	26
Objective 4: Increased Investment in Private Sector Agriculture.....	31
Objective 5: Strengthen and Develop Producer Organizations	33
Objective 6: Increased Access to Improved Production Technologies and Practices.....	38
Objective 7: Identify and Address Agricultural Policy Constraints	50
Objective 8: Stimulate Demand Driven Commercial Agricultural Training.....	52
Objective 9: Establish and Operationalize Biotechnology Regulatory Environment.....	56
Objective 10: Stimulate Demand Driven Agricultural Research	58
Program Management	63
Strategic Activities Fund Management	63
Objective 11: Implement an Effective SAF Program	63
Monitoring and Evaluation	64
Objective 12: Implement and Maintain an Effective Monitoring and Evaluation System	64
Project Administration.....	67
Objective 13: Provide Effective Contract Administration	67

Annex A	APEP COMMODITY INTERVENTION AREAS.....	69
Annex B	APEP PMP INDICATOR PROGRESS.....	72
Annex C	APEP ACTIVE CLIENT PORTFOLIO: OCTOBER 2004 – SEPTEMBER 2005	75
Annex D	PO SUMMARY INFORMATION: OCTOBER 2004 – MARCH 2005	78
Annex E	APEP SUPPORTED TRAINING EVENTS.....	81
Annex F	SAF CLIENT DATABASE ACTIVITY REPORT	89

LIST OF EXHIBITS

Exhibit I:APEP Organizational Structure	3
Exhibit II:APEP Results Framework.....	4
Exhibit III: Cotton Export Volume and Value: 2002/03 – 2004/05.....	6
Exhibit VI: Comparative Coffee Export Performance: 2003/04 – 2004/05 Seasons	7
Exhibit IX: Number of Sesame Farmers Reached.....	9
Exhibit X: APEP Results Indicator Table for 2004/2005 Upland Rice Performance.....	10
Exhibit XIII: Maize Export Volume and Value	11
Exhibit XV: Vanilla Export Volume and Value	12
Exhibit XVII: Flower Export Volume and Value	13
Exhibit XVII: Summary of DC Savings on Inputs	15
Exhibit XX: Agricultural Credit from October 2004 to September 2005.....	18
Exhibit XXI: Bulked Volumes by Pos at DC Level.....	30
Exhibit XXII: Additional Income as a Result of Bulking	31
Exhibit XXIII: Additional Revenue Accruing from Bulk Marketing of Coffee.....	34
Exhibit XXIV: Revenue accruing from bulk marketing Cotton.....	36
Exhibit XXV: Additional revenue accruing from bulk marketing of Grains	37
Exhibit XXVI: Additional Income – Formal Contracts.....	38
Exhibit XXVII: Additional Income: Non Formal	38
Exhibit XXVIII: Robusta Kiboko Coffee Yield by Technology	39
Exhibit XXIX: Seed Cotton Demonstration Yields	40
Exhibit XXX: Seed Cotton Yields by Zone and Technology	41
Exhibit XXXI: Sunflower Yield by Technology	42
Exhibit XXXII: Upland Rice Demonstration Outreach: 2004B and 2005A Seasons	43
Exhibit XXXIII: Sesame Demonstration Outreach.....	44
Exhibit XXXIV: Farmers Adopting APEP Promoted Technologies	48
Exhibit XXXV: Sweet Potato Vines Deliveries	49
Exhibit XXXVI: Cumulative Deliveries of Sweet Potato Vines	49
Exhibit XXXVII: List of Key Policy Constraints	50
Exhibit XXXVIII: Number of Individuals Trained in Various Agricultural Disciplines ...	55

Exhibit XXXX: SAF Award Allocation by Commodity.....	64
Exhibit XXXXI: APEP Sentinel Sites.....	65
Exhibit XXXXII: Spread in Cost of Production Analysis.....	66

LIST OF ACRONYMS

ASPS II	Agricultural Sector Programme Support (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
CAEC	Continuing Agricultural Education Centre
CBOs	Community-Based Organizations
CDO	Cotton Development Organization
CERUDEB	Centenary Rural Development Bank
CIAT	International Center for Tropical Agriculture
CO	Contracting Officer
COMPETE	Competitive Private Enterprise and Trade Expansion project (USAID)
CORI	Coffee Research Institute
CPPs	Crop Protection Products
CT	Conservation Tillage
CTO	Cognizant Technical Officer
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
EAFCFA	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	hectares
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

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
LOP	Life of Project
LRA	Lords Resistance Army
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry & Fisheries
MD	Managing Director
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 tons
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
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
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
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
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
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
UNIDO	United Nations Industrial Development Organisation
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
USTA	Uganda Seed Traders Association
VANEX	Uganda Vanilla Exporters Association
VAT	Value Added Tax
WFP	World Food Program

EXECUTIVE SUMMARY

INTRODUCTION

This second annual progress report covers the period October 1, 2004 through September 30, 2005. The report, which has been prepared by the Agricultural Productivity Enhancement Program (APEP) brings out project achievements, successes and lessons learned. APEP aims to expand rural economic opportunities in the agricultural sector by increasing food and cash crop productivity and marketing. 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. 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).

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 period under review, APEP focused on the following sub-sectors: coffee, cotton, grains & oilseeds, flowers, vanilla, cardamom, bananas and Northern Uganda food security crops. In all its interventions, APEP continued to employ proven approaches to support agricultural competitiveness and commercialization. These include working with business and industry leaders to design corporate structures to reach producers and work with producers to respond and organize themselves. APEP also works with POs to develop linkages, management systems and revenue streams.

OVERVIEW OF CLIMATIC CONDITIONS AND COMMODITY PRICES

This reporting period covers 2004B season, 2005A season and the establishment of 2005B season crops. The second season of 2004 started late, with July and August 2004 being much drier than usual. Late plantings were therefore dependant on the continuation of the rains for maximum crop potential. For most of the country, there was a normal cessation of rain, reducing yield potential of many crops in the 2004B season, particularly late planted grains and cotton in some areas. Northern Uganda as a whole, including West Nile, experienced a good second season with some very high yields, particularly with cotton. An early cessation of the rains was observed mainly in parts of central and eastern Uganda.

The 2005A season began early, with higher than normal rainfall recorded for most of the country in March. This enabled some early plantings although most fields were not fully prepared to take advantage of this. The higher than normal March rainfall was followed by a drier April. As a result, fields prepared late in March could not be planted. This was particularly the case with some of the single season crops, like sunflower in the north. Fortunately, the higher rainfall in March did positively impact perennial crops such as coffee and banana, thereby improving their yield potentials. The second season 2005 started late in many areas, particularly in Northern Uganda where despite a series of encouraging July rainfall events, August and September were quite dry. This affected planting intentions with reduced acreage for cotton and grains. The crop potential will now be related to the extension of rains through December 2005.

Staple food crop prices generally remained high across the country and increased confidence in plantings. The harvests of 2005A crops did, however, result in price decline for some of the staples such as banana, maize and beans. Coffee prices were much higher during FY2005 with export value increasing to \$162 million. As predicted, oversupply of vanilla on the world market put considerable downward pressure on prices, with farmers receiving as little as US\$ 1,000 for green beans.

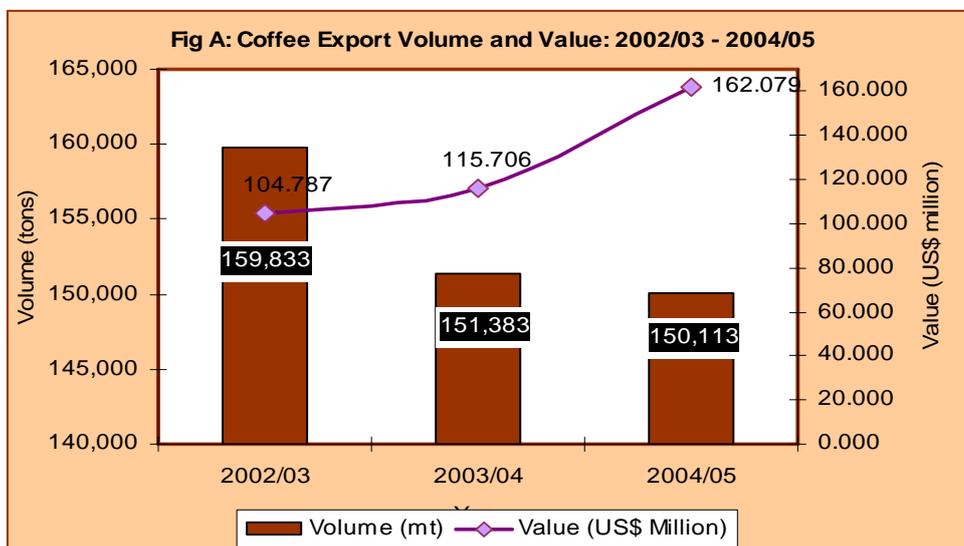
Prospects for an end to northern hostilities appeared promising towards the end of 2004 when serious negotiations occurred between the GoU and LRA. However, according to FEWS NET, humanitarian conditions in Northern Uganda remained poor and approximately 1.5 million people were still living in camps with dismal access to basic services including water, sanitation, food, and health services. Since continued food assistance to meet the majority of IDPs food needs was required, WFP procurement remained high with nearly 100,000 mt of maize and pulses procured from local sources between January and September 2005. In response to improved security in the north, APEP established 100 acres each of improved cassava and sweet potato mother gardens, and procured certified sorghum and finger millet seed.

Over the reporting period, there was an overall depreciation of approximately 5% in the Uganda Shilling relative to the US Dollar (from 1,760:1 to 1,870:1). In the world markets, there was a mixed occurrence as prices of vanilla and cotton declined by as much as 40-50% over the production year and that of coffee increased by about the same amount. There was a dramatic increase in energy and transport costs and this impacted negatively on the NTAE enterprises. These factors generally reduced the competitiveness of Uganda's exports, particularly in the international market.

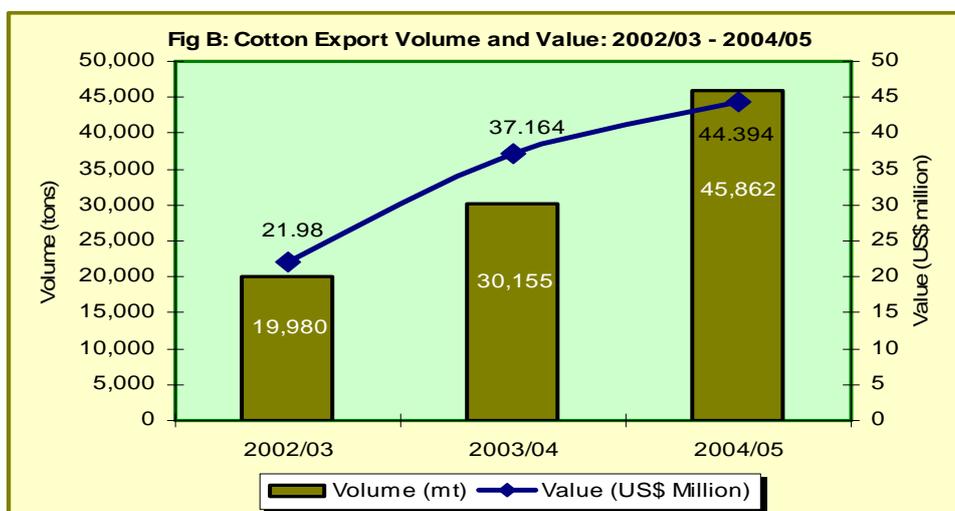
APEP COMMODITY PERFORMANCE

Coffee: Uganda's coffee exports for the coffee year 2004/05 totalled about 2.5 million 60-kg bags (equivalent to 150,113 mt) valued at US\$162 million. Compared to 2003/04 coffee year, this performance represents a drop in volume by about 1% and a rise in value by 40%. The coffee export performance is shown in Figure A. According to Uganda Coffee Development Authority (UCDA), the drop in volume was attributed to coffee wilt disease and unfavourable weather. On the other hand, the increase in value was a result of the general improvement in coffee prices on the world market experienced during the year in response to a global supply deficit. Reduction in coffee production was reported in some of the major coffee producing countries including Brazil and Vietnam. In Uganda, farm gate prices were up, around US\$ 500-700 per kg of dried cherry, while the prices for FAQ were US\$ 1,200-1,400 per kg. Arabica parchment prices ranged from between US\$ 2,000 and 2,300 per kg.

Much of APEP's activity during the year centred on establishment of demonstration sites, training of farmers on quality improvement and improved agronomic practices, and bulking for marketing. APEP TA worked closely with UCDA district staff, agricultural sub-county extension staff, Ibero, UNEX (U) Ltd, Kawacom (U) Ltd, Ankole Coffee Processors and Bushenyi Local Cooperative Societies at field demonstration sites.



Cotton: During the 2004/5 cotton season, APEP continued to partner with each ginnery in the country through the designated eight lead ginners with the primary objective of establishing technology transfer points at the smallholder level. This was carried out by demonstrating to growers a choice of production methods – namely high input technologies involving the use of fertilizers in addition to the standard agronomic packages, or low input technologies without fertilizers but using standard agronomic packages. The industry performance was extremely encouraging during the 2004/05 cotton season. According to the Cotton Development Organisation (CDO), nearly 248,000 bales of lint (equivalent to 45,862 mt) valued at \$44.4 million were exported. This represents a 52% increase in volume and 19% increase in value over the previous year. World cotton prices weakened, and farmer prices for seed cotton were US\$ 350/kg after GoU intervention. This low producer price, combined with late start of the rains, resulted in reduced plantings for the 2005/06 cotton crop in parts of the country. Figure B shows the cotton export performance over the past 3 years.



Sunflower: APEP collaboration with A.K. Oils & Fats (U) Ltd continued in Lira, Apac, Masindi and Sironko districts. During the reporting period, about 10,000 outgrowers were registered with the company to produce sunflower grain from the new hybrid. Each farmer signed a contract to sell off-take from his/her production and as such represented a formal out grower production program. Over the two seasons harvested during the reporting period, a total of 7,960mt of sunflower grain was procured by the company, resulting in an income of US\$ 2.786 billion for the registered farmers. The price paid averaged 45% above that offered by the market for the old synthetic Sunfola variety. Yield results indicated that the hybrid variety produced more than twice the traditional and degraded Sunfola variety, with low input yields performing at just over 500 kg per acre and high input yields performing at 720 kg per acre. About 36,500 kg of the hybrid seed was sold for the 2005B season. This is expected to result in plantings of approximately 18,250 acres by 10,000 farmers, all of whom are registered in an outgrower scheme (OGS).

Sesame: During the period under review, meetings were held with all the companies dealing in sesame trade and it was agreed that an association would be registered. In this way, production efficiency training provided to farmers would benefit all the association members and a stronger linkage would be developed between farmers and exporters. However, by the time of writing this report, registration of the association had not been completed and thus no formal producer-market alliances were established. A total of 800 demonstration sites were established in 8 districts in 2004B season, mainly in northern Uganda. The demonstration sites were established in collaboration with three enterprise partners, namely Roka Ale Trading Co. Ltd, Outspan Enterprises Co. Ltd and Mukwano Industries. So far in 2005B season, 270 demonstration sites have been established in collaboration with three partners,

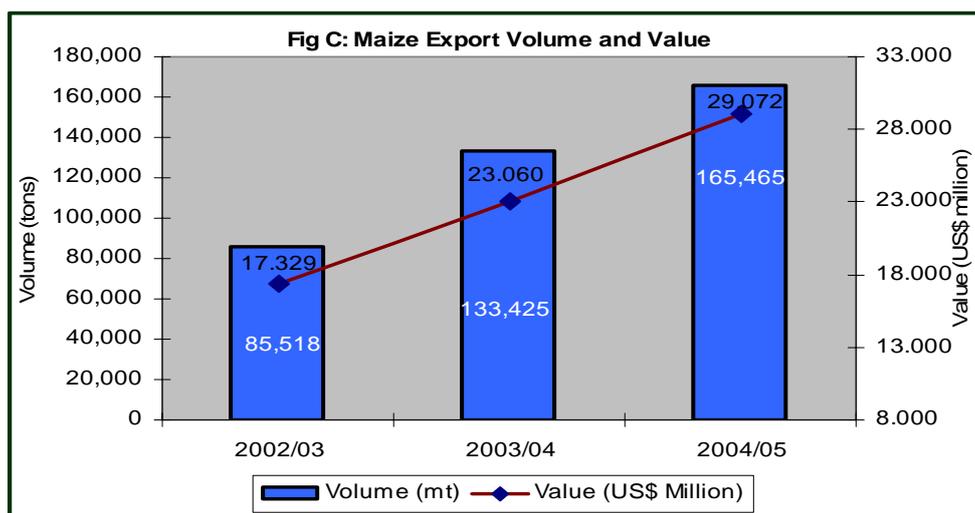
Outspan Enterprises Company and Shares! (U) Ltd in Lira, Apac and Kaberamaido districts for organic products; and CARE Uganda in Arua and Nebbi districts. The number of farmers exposed to improved practice to-date to 15,171 farmers.

Upland rice: APEP continued to work closely with the Office of the Vice President, the United Nations Development Programme (UNDP) local contractor Africa 2000 Network (A2N), NAADS, SG-2000 and the private sector. A total of 725 demonstration sites (each of ½ acre) were established with 11,570 farmers being trained (47% being females) in upland rice production. At the national level, 13 districts were involved in rice production. As a result of the interests and interventions, the national rice area and output in 2004 increased by at least 4,000 ha and 10,000 mt respectively, representing a 12.5% increase over 2003.

Uganda currently cultivates about 70,000 to 80,000 ha of rice and imports between 35,000-40,000 mt per year. The potential to expand production and the ever increasing demand have prompted new players in to the sub-sector with Ecomax rice and Sunrise Company being the latest entrants. Under SAF arrangements, these firms are now developing an outgrower scheme of approximately 4,000 - 6,000 acres for production in 2005B season.

Maize: During the reporting period, APEP TA continued to work with commercial maize farmers and although no new demonstration sites were established, commercial farmers in some of the main maize growing areas such as Kapchorwa, Mubende, Bugiri, Iganga, Kamuli and Kiboga received technical training with Uganda Grain Traders Limited (UGTL) in crop husbandry, post-harvest handling and marketing, as well as linkages to input and output suppliers and financial service providers.

According to the WFP and RATIN's regional trade database, internal procurement and trade in maize along Uganda's eastern and southern borders with Kenya and Rwanda, respectively, remained brisk, as a high demand for maize in the neighbouring countries increased the flow of maize from production centers in Uganda. The trend in maize exports is shown in Figure C. Farm gate prices for the 2005A season crop fell dramatically, and this negatively impacted seed sales/plantings for the 2005B season. Some farmers have also substituted upland rice for maize due to the higher gross margins realized.

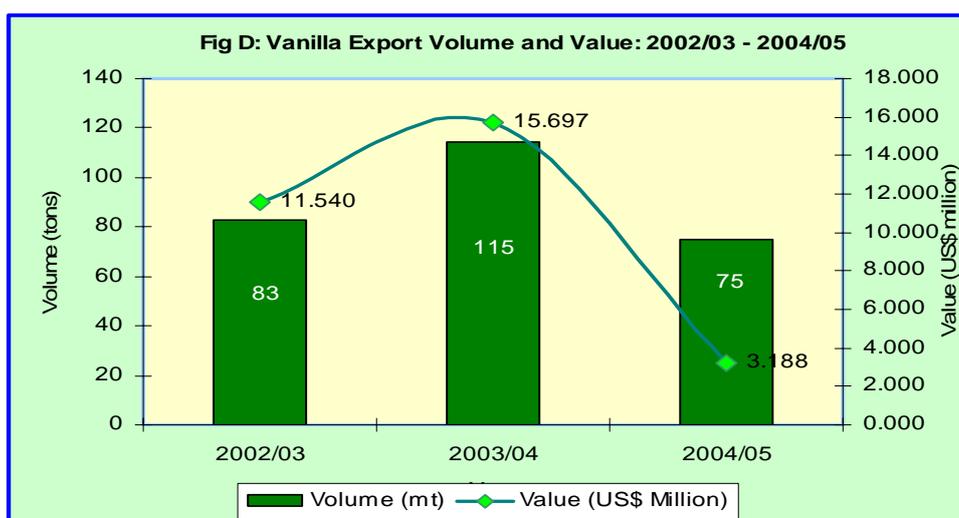


Banana (Matooke): APEP continued with provision of financial and technical assistance to the banana sub-sector through the established 215 demonstration sites in nine districts. Over 35,000 tissue-cultured planting materials were distributed and planted. Through these sites and farmer training, over 10,000 producers were exposed to improved banana production and maintenance practices that include mulching, preparation of planting materials, sucker management, pest and disease management, and soil fertility.

In collaboration with the National Agricultural Research Organization (NARO) and ASPS II, APEP continued to produce and distribute Banana Bacterial Wilt (BBW) posters in all of the major banana growing districts. Preliminary results have shown that awareness on the dangers of BBW has increased and farmers had taken measures to control the spread of BBW. APEP training events also incorporated BBW awareness at demonstration sites, with emphasis on early de-budding to reduce on insect transmission of the disease.

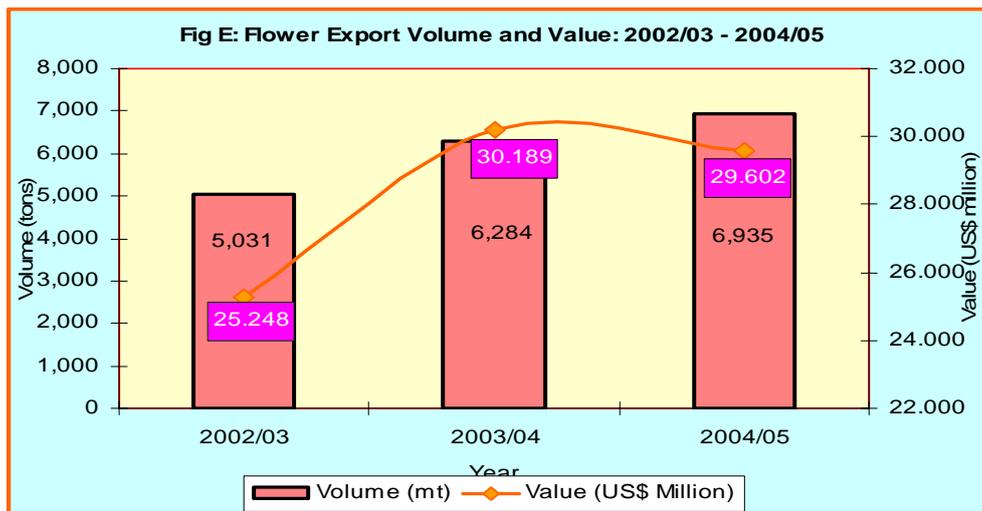
Vanilla: APEP continued to provide both financial and technical support to the industry through the Association of the Vanilla Exporters of Uganda (VANEX). Over 15,000 vanilla growers were exposed to improved production practices through the established demonstration sites and farmers outreach extension programs. During the reporting period, an estimate of 860 mt of green vanilla beans were harvested, which is equivalent to 143 mt of processed cured vanilla. Farm gate price of green vanilla beans dropped from about US\$ 7,000-10,000 (in January 2005) to US\$ 1,000–3,500 (in July 2005) but the quality remained good although a small percentage was lost in field as beans over matured.

Overall, the world vanilla price remained depressed due to the large supply in Madagascar and reduced demand due to some of the end-users switching to synthetic vanillin. Generally prices per kilogram of cured beans during the year were about US\$20–US\$65. Most curers who have remained in the business have stocks, and export volumes dropped to about 75 mt of cured vanilla, compared to about 115 mt in the previous year (Figure D).



Flowers: With SAF support from APEP, the Uganda Flower Exporters Association (UFEA) continued to support the industry through research, training and market promotion. APEP also focused on the issue of quality and 17 (out of 19 flower farms) registered for Milieu Project Sierteelt (MPS) inspections. In 2004/05, the floriculture industry expanded by an additional 33.1 ha (of which 12.5 ha were under cuttings and 20.6 ha under roses). The flower industry continued to provide employment to about 7,000 people, with at least 60% of the employees being females.

Figure E below shows the trend of flower exports from Uganda between 2002/03 and 2004/05 as reported by Fresh Handling Limited (FHL). The export volume of roses and plant cuttings in 2004/05 reached 6,935 mt valued at about US\$29.6 million. Sweetheart rose prices remained under pressure throughout most of the year due to an oversupply situation. Increase in air freight costs and the depreciation of the Euro also impacted \$FOB export values.



Northern Uganda food security crops: Prospects for ending hostilities in Northern Uganda were positive in late 2004. As a result, APEP received incremental funding to procure 8 tons of certified finger millet seed and 12 tons of sorghum seed. A total of 100 acres each of cassava and sweet potato mother gardens were established in Apac District with improved planting material after the rains commenced in April 2005. Crops are appearing very good. With additional funding, APEP commenced distribution of sweet potato cuttings to NGOs for planting in IDP camps and IDP resettlement programs in September 2005.

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 APEP interventions, while others were a result of the global market situation.

- **Coffee performance improves:** Due mainly to an increase in the world market price and an improvement in quality, Uganda's export value for 2004/05 was \$162 million, 40% above the 2003/04 value. This is the first time in over five years that Uganda has earned over US\$150 million from coffee exports. This is a promising indicator that could encourage farmers to inject better husbandry in their coffee stands. Coffee is again Uganda's No. 1 export. Coffee is a perennial crop, and despite the neglect of fields during the low price years, and the affects of coffee wilt disease, and dry weather, Uganda was still able to export 150,113 mt of green coffee and benefit from the higher world prices.
- **Cotton industry has outstanding production:** The cotton industry experienced the greatest single year increase in production to 45,862 mt lint, a 52% increase over the previous season. Adoptions of low input technologies have been encouraging, as has been the adoption, at least in part, of the Integrated Pest Management (IPM) practices promoted by APEP. The challenge now remains how to keep the momentum despite current low world prices and the significant reduction in farm gate price from USh 600 in 2003/04 to USh 350 in 2004/05 per kg of seed cotton.
- **Sunflower outgrower schemes prosper:** For the first time, a large group of small scale farmers have been effectively engaged in an outgrower model under contract to an off-taker who is offering pre-planting contract prices. The company involved, A.K. Oils & Fats (U) Ltd, is providing a full range of support services to about 10,000 farmers registered in Lira, Apac, Masindi and Sironko districts using the APEP extension model to facilitate. The company has developed a system where all of the site coordinators were engaged in the procurement process at the village to ensure that a greater

percentage of the sunflower output is bought back. This has given farmers an even greater sense of security as far as the market is concerned. This is highlighted by the fact that small scale resource poor farmers paid cash to the site coordinators for seed in advance at US\$ 7,000 per kg. This amounted to US\$ 125 million collected by the company against future deliveries of hybrid sunflower seed. This is a very strong indicator of farmer confidence in the company, its outreach system and in the technology.

- **Banana Bacterial Wilt can be controlled:** APEP is part of a working group set up by MAAIF to concentrate on the provision of information, training, and improved awareness of the Banana Bacterial Wilt (BBW) disease caused by *Xanthomonas campestris* pv. Musacearum. The Agriculture Sector Program Support (ASPS II/DANIDA), the Environmental Conservation Trust (ECOTRUST, USAID funding) of Uganda, the National Agricultural Advisory Services (NAADS) and the National Agricultural Research Organization (NARO) are the main members of the working group. Through information dissemination (posters, radio program, meetings) and training of lead farmers and extension workers, awareness of BBW has increased and the rate of spread reduced as farmers are now taking appropriate preventive measures.
- **APEP establishes mother gardens in Northern Uganda:** APEP successfully established 100 acres each of cassava and sweet potato mother gardens in a single block in Apac. It also procured 20 tons of certified finger millet and sorghum seed. These materials are poised to be made available to IDP camps and reintegrated IDPs if hostilities subside. Distribution of sweet potato vines commenced in September 2005.
- **A diversified commodity mix:** Given the volatility in commodity values due to climate and international prices, it is beneficial that APEP maintains a diversified commodity portfolio as a means of mitigating against risk and achieving LOP targets. This current year saw dips in flowers and vanilla revenues and increases for coffee and cotton.
- **Input supply strengthened:** APEP continued to provide technical oversight to the 281 stockists trained during the 2004/05 work plan year. In order to support input market transparency and further develop dealer capacity, a marketing newsletter – “Agri-Input Markets, Uganda” - was designed and has been distributed on a monthly basis since January 2005. To further develop the stockist effectiveness, APEP, in partnership with AT Uganda and UNADA, continued to extend the credit guarantee scheme to more stockists through their branches.
- **Production loans to farmers:** Nearly \$1,404,485 was loaned by commercial banks to 3,076 farmers between October 2004 and September 2005. During the reporting period, 3 new CERUDEB branches in Kiboga, Bugiri, and Kyenjojo commenced agricultural lending specifically targeting APEP maize and rice farmers in the respective districts. UBL extended credit to APEP trained Barley farmers in Kapchorwa worth US\$ 432,625,300 in the form of seed and fertilizer during seasons 2005A/B. In total, 24 financial service provider outlets were involved in providing financial services to APEP clients during the reporting period.
- **PO formation and strengthening:** Through the APEP PO activity, some 17,670 farmers have formed 763 producer organizations in 21 districts where APEP operates.
- **Benefits of technology adoption:** Table A shows the number of farmers exposed and those adopting improved production practices/technologies. Overall, the number of farmers who have adopted low input practices exceed 105,230 (representing 51% adoption rate across all APEP commodities) while those who have adopted high input practices can hardly reach 4,300 (2% across all the APEP commodity portfolios). These

figures were derived from field day attendance (exposure) and sentinel sites (adoption by technology).

Table A: Farmers Adopting APEP Promoted Technologies

Crop/Enterprise	Number of farmers exposed	Adoption of high input technology	Adoption of low input technology
Cotton	112,000	2,240	61,600
Upland rice	29,653	890	17,792
Sunflower	28,790	0	9,000
Maize	2,990	748	2,243
Sesame	5,000	0	1,000
Coffee	20,154	403	4,031
Banana	10,050	0	3,721
Vanilla	9,756	0	5,854
Adoption by category	204,603	4,280	105,239
Percentage adoption		2%	51%

- **Improving on-farm efficiency:** Results from 260 APEP sentinel sites established in 18 districts showed that technology adoption results in significant increase in yields and reduction in unit costs of production. Table B shows yield and cost of production enhancement resulting from technology adoption.

Table B: Yield and Cost of Production Enhancement Based on Sentinel Sites Data

Commodity	Yield (kg/acre)			Unit cost (US\$/kg)		
	Traditional	Low input	High input	Traditional	Low input	High input
Cotton	250	525	1,050	522	330	262
Upland rice	800	1,500	2,400	291	226	201
Sunflower	300	700	--	373	246	--
Maize	600	1,700	3,000	207	120	105
Sesame	180	350	--	685	428	--
Coffee (Robusta)	350	840	2,000	417	354	312
Banana (Matooke)	2,100	18,000	24,000	43	39	33

- Table C shows the number of participants trained in various agricultural disciplines. The numbers have been categorized under two training approaches; field days, formal and informal training. The formal training events refer to well-structured training such as the ATFC, the Busitema training, Internship program, group/association training, seminars, etc. Overall, 215,864 individuals were trained during the reporting period.

Table C: Number of Individuals Trained in Various Agricultural Disciplines

Training Category	Number Trained		
	Males	Females	Total
Field days	119,486	80,870	200,356
Formal/informal training	12,312	3,196	15,508
TOTAL	131,798	84,066	215,864

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 favorable progress to-date towards achieving the set targets.

APEP PMP INDICATOR PROGRESS

Indicator	Unit of measure	Baseline Value	LOP target	2003/04	2004/05	2004/5 as % of LOP Target
Average h/h income of APEP-supported producers (from APEP-supported commodities)	US\$ p.a	185.45	260	197.43	224.57	
% change(over benchmark) in h/h income of APEP-supported producers	%	0	40%	6%	21%	53%
# of h/h supported by APEP	No	0	250,000	165,000	204,603	82%
# oh h/h with disability supported by APEP	No	0	5,000	0	1,358	27%
# of on- & off-farm jobs created	No	0	80,000	13,347	30,219	38%
# of on- & off-farm enterprises created	No	0	600	311	495	83%
Total production of APEP-supported crops	mt					
- coffee	mt	160,000	200,000	151,383	150,113	75%
- cotton	mt	29,250	64,750	30,155	46,620	72%
- sunflower	mt	10,000	40,000	10,600	16,000	40%
- rice	mt	100,000	160,000	113,000	147,000	92%
- maize	mt	315,000	750,000	550,000	620,000	83%
- flowers	mt	4,424	7,000	6,284	6,935	99%
- banana	mt	8,000,000	11,000,000	8,200,000	8,500,000	77%
- vanilla (cured)	mt	135	185	138	81	44%
Yields of APEP-supported crops	mt/acre					
- coffee	mt/acre	0.290	0.500	0.350	0.600	120%
- cotton	mt/acre	0.200	0.600	0.460	0.525	88%
- sunflower	mt/acre	0.300	0.800	0.600	0.650	81%
- rice	mt/acre	0.350	0.800	0.720	1.200	150%
- maize	mt/acre	0.550	2.000	1.500	1.500	75%
- flowers	mt/acre	11.000	15.000	12.000	12.500	83%
- banana	mt/acre	5.850	9.000	7.260	12.000	133%
- vanilla	mt/acre	0.250	0.400	0.250	0.300	75%
Unit cost of production of APEP-supported crops	US\$/kg					
- coffee	US\$/kg	0.270	0.180	0.245	0.206	87%
- cotton	US\$/kg	0.310	0.200	0.290	0.237	84%
- sunflower	US\$/kg	0.250	0.140	0.156	0.141	99%
- rice	US\$/kg	0.400	0.200	0.238	0.209	96%
- maize	US\$/kg	0.080	0.060	0.072	0.065	92%
- flowers	US\$/kg	n.a	n.a	n.a	n.a	n.a
- banana	US\$/kg	0.030	0.020	0.027	0.022	91%
- vanilla	US\$/kg	0.700	0.550	0.633	0.626	88%

Chemonics International Inc.

Indicator	Unit of	Baseline	LOP target	2003/04	2004/05	% of LOP
Value of targeted commodities marketed by APEP clients	US\$	106,000,000	150,000,000	112,448,014	122,277,184	
% change in value of targeted commodities marketed by APEP clients	%	0	40%	6%	15%	38%
Volume of targeted commodities marketed by APEP clients	mt	615,000	800,000	662,972	681,411	
% change in volume of targeted commodities marketed by APEP clients	%	0	30%	8%	11%	36%
Gross revenue of off-farm enterprises supported by APEP	US\$	140,000,000	225,000,000	151,482,439	166,340,898	
% change in gross revenue of off-farm enterprises supported by APEP	%	0	60%	8%	19%	31%
No of input suppliers serving APEP clients	No	0	400	177	281	70%
No of local credit service points reaching APEP clients	No	0	30	8	23	77%
Amount of credit provided to APEP-supported clients	US\$	612000	900,000	830,867	1,404,485	
% change in amount of credit provided to APEP clients	%		45%	35%	129%	287%
No of APEP-supported firms exporting agricultural products	No	0	100	19	68	68%
No of agricultural processors supported by APEP	No	0	50	20	52	104%
Output value of APEP-supported processors	US\$	65,331,921	130,000,000	65,331,921	87,984,372	68%
% change in output value of APEP-supported processors	%		100%	0%	35%	35%
No of APEP-supported firms managing outgrower schemes	No	0	25	7	12	48%
No of farmers involved in APEP-supported outgrower schemes	No	0	125,000	12,402	29,287	23%
No of public/private partners developed by APEP	No	0	125	29	32	26%
Amount of private sector resources leveraged through partnerships	US\$	0	6,000,000	1,442,203	3,171,332	53%
No of Depot committees (DCs) strengthened*	No	0	200	30	89	45%
No of producer organizations (POs) strengthened by APEP	No	0	200	290	763	382%
Average group membership per PO	No	20	40	22	25	63%
% change in group membership of APEP-supported producer organizations	%	0	100%	10%	25%	25%
No of APEP-supported producers using improved technologies/practices	No	0	150,000	18,215	105,239	70%
Area cultivated using improved technologies	acres	0	150,000	74,078	99,880	67%
No of key policy/institutional constraints alleviated through APEP intervention	No	0	10	0	2	20%
No of key policy constraints that have been addressed through APEP intervention	No	0	15	2	5	33%
No of individuals trained by APEP in disciplines related to private sector agriculture	No	0	365,000	168,107	215,864	59%
No of individuals completing internships with private sector firms through APEP support	No	0	200	47	97	49%
No of biotech/biosafety regulations improved and in place	No	0	3	0	1	33%
No of APEP-funded research contracts implemented by public sector bodies	No	0	25	4	6	24%

* 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 Agricultural Productivity Enhancement Program (APEP) aims to expand rural economic opportunities in the agricultural sector by increasing food and cash crop productivity and marketing. 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. 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).

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 period under review, APEP focused on the following sub-sectors: coffee, cotton, grains & oilseeds, flowers, vanilla, cardamom, bananas and Northern Uganda food security crops (Annex A). APEP has two additional components that address biotechnology and biosafety concerns as well as agricultural education.

APEP continues to employ approaches to support agricultural competitiveness and commercialization. These include working with business and industry leaders to design corporate structures to reach producers and work with producers to respond and organize themselves. APEP also works with POs to develop linkages, management systems, and revenue streams.

A. Organizational Structure

The organizational structure of APEP is shown in Exhibit I. APEP 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, grains & oilseeds and Northern Uganda food security crops; while Portfolio B includes coffee, flowers, vanilla, cardamom 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

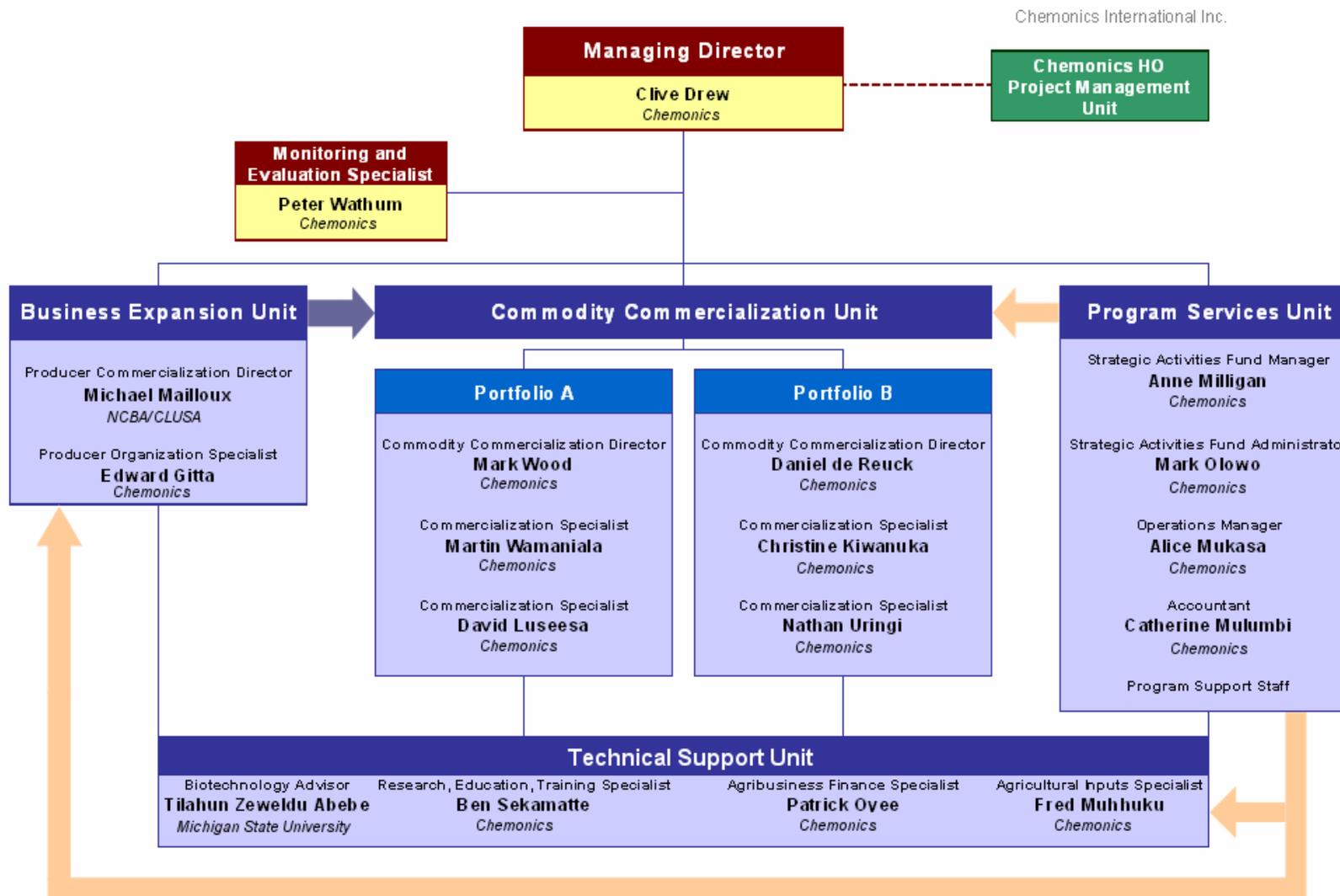
The APEP Results Framework (RF), developed jointly between the APEP design team and USAID/Uganda, is presented in Exhibit II. This RF encapsulates the implementation approach of APEP and is used to guide APEP work planning and results monitoring.

At the highest level of the APEP RF is SO 7—Expanded Sustainable Economic Opportunities for Rural Sector Growth. This is the project goal. While 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, APEP works through three project intermediate results (PIRs). These are:

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

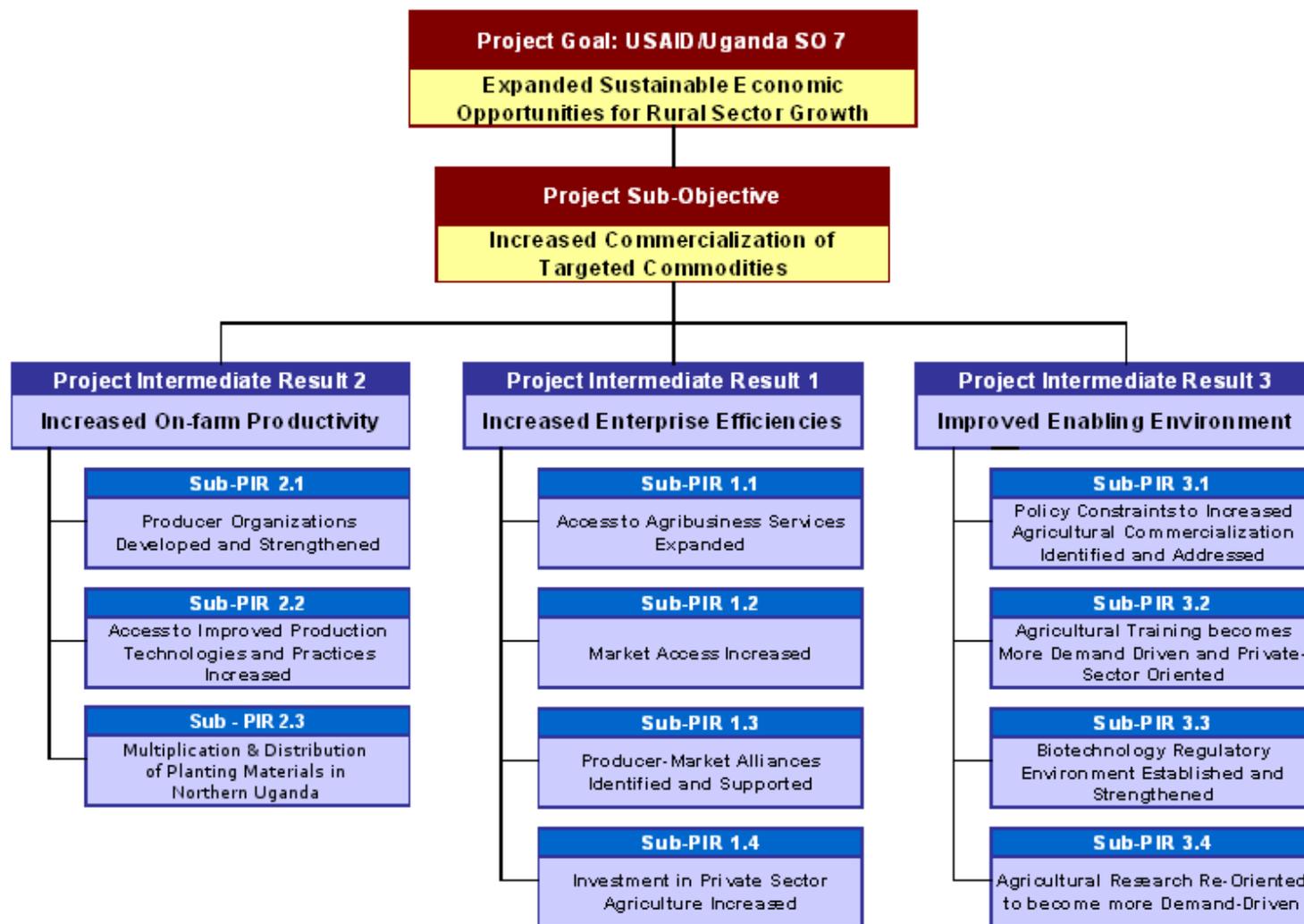
These PIRs are further supported by sub-PIRs as shown in the RF. In this annual report, we address each sub-PIR as an objective, together with relevant life of project (LOP) targets. In the following section, we present details of the progress report for FY05 organized by PIR and objectives. Each objective has a number of benchmarks. 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.

Exhibit I: APEP Organizational Structure



← = Program Services Unit Activities Support both Business Expansion and Commodity Commercialization Units

Exhibit II: APEP Results Framework



C. Overview of the Climatic Conditions and Commodity Prices

The period under review covers 2004B season, 2005A season and the establishment of 2005B season crops. The second season of 2004 started late, with July and August 2004 being much drier than usual. Late plantings were therefore dependant on the continuation of the rains for maximum crop potential. For most of the country, there was a normal cessation of rain, reducing yield potential of many crops particularly late planted grains and cotton in some areas. Northern Uganda as a whole, including West Nile, experienced a good second season IN 2004 with some very high yields, particularly with cotton.

The 2005A season began early, with higher than normal rainfall recorded for most of the country in March. This enabled some early plantings although most fields were not fully prepared to take advantage of this. The higher than normal March season was followed by a drier April. As a result, fields prepared late in March could not be planted. This was particularly the case with some of the single season crops, like sunflower in the north. Fortunately, the higher rainfall in March did positively impact perennial crops such as coffee and banana, thereby improving their yield potentials. The second season 2005 started late in many areas, particularly in Northern Uganda where despite a series of encouraging July rainfall events, August and September were quite dry. This affected planting confidence and acreage for cotton and grains. The crop potential will now be related to the extension of rains through December 2005.

Staple food crop prices generally remained high across the country and increased confidence in plantings. The harvests of 2005A crops did, however, result in price decline for some of the staples such as banana, maize and beans.

Prospects for an end to northern hostilities appeared promising towards the end of 2004 when serious negotiations occurred between the GoU and LRA. However, according to FEWS NET, humanitarian conditions in Northern Uganda remained poor and approximately 1.5 million people were still living in camps with dismal access to basic services including water, sanitation, food, and health services. Since continued food assistance to meet the majority of IDPs food needs was required, WFP procurement remained high with nearly 100,000 mt of local maize and pulses procured between January and September 2005

Over the reporting period, there was an overall depreciation of approximately 5% in the Uganda Shilling relative to the US Dollar (from 1,760:1 to 1,870:1). In the world markets, there was a mixed occurrence as prices of vanilla and cotton declined by as much as 40-50% over the production year and that of coffee increased by about the same amount. There was a dramatic increase in energy and transport costs and this impacted negatively on the NTAE enterprises. These factors generally reduced the competitiveness of Uganda's exports, particularly in the international market.

D. APEP Commodity Overview

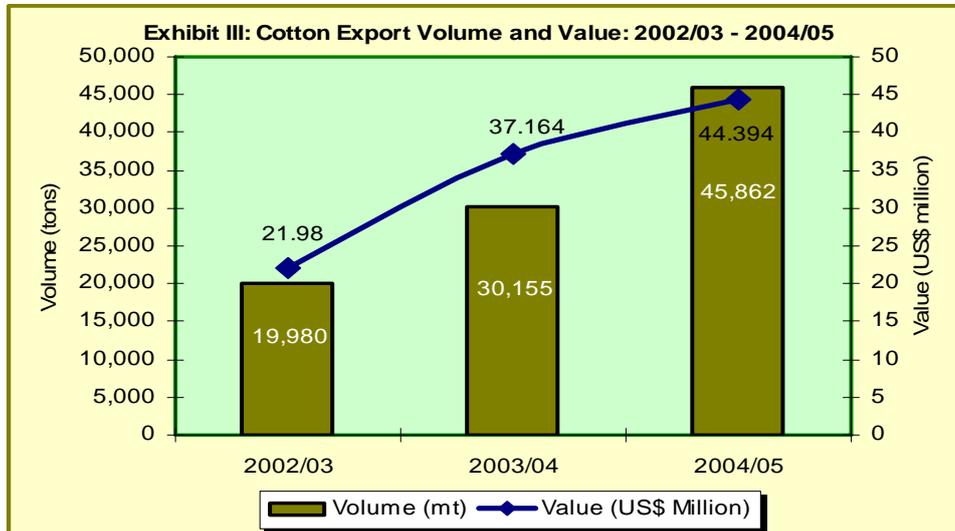
Cotton

During the 2004/5 cotton season, APEP continued to partner with each ginnery in the country through the designated eight lead ginners with the primary objective of establishing technology transfer points at the smallholder level. This was carried out by demonstrating to growers a choice of production methods – namely high input technologies involving the use of fertilizers in addition to the standard agronomic packages, or low input technologies without fertilizers but using standard agronomic packages. Over 112,000 farmers were exposed through 7,138 APEP-funded demonstration sites. Mean yields realized by farmers across all zones that carried out the demonstrations reflected significant yield increases over traditional yields generally estimated at about 200kg per acre.

APEP was also able to attract the support of other donors (such as DANIDA/ASPS II and NAADS) and leverage some of their resources to finance some activities under the demonstrations program.

The industry performance was extremely encouraging during the 2004/05 cotton season. According to the Cotton Development Organisation (CDO), nearly 248,000 bales of lint (equivalent to 45,862 mt) valued at \$44.4 million were exported. This represents a 52% increase in volume and 19% increase in value over the previous year. Exhibit III shows the cotton export performance over the past 3 years.

Exhibit III: Cotton Export Volume and Value: 2002/03 – 2004/05



The cotton industry experienced the greatest single year increase in production (52% over the previous season) since the decline of the cotton industry in the 1970's. Adoptions of low input technologies have been encouraging, as has been the adoption, at least in part, of the Integrated Pest Management (IPM) applications promoted by APEP. The challenge now remains keeping the momentum despite the current low world prices and the significant reduction in farm gate price from USh 600 in 2003/04 to USh 350 after government intervention in 2004/05 per kg of seed cotton.

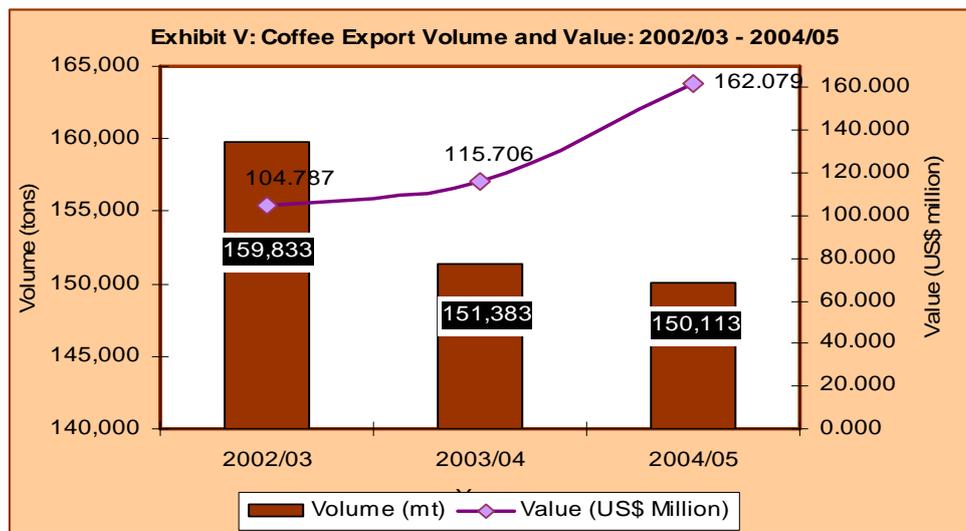
The most important result of the demonstration, training activities and resultant adoption was the improvement in efficiency of production as measured by the unit cost of production, output:input ratios and return to family labour. Results obtained from adopters (Exhibit IV) show that production improvement has resulted in enhanced incomes, even at the low producer price experienced during the 2004/05 cotton season.

Parameter	Traditional	Low input	High input
Yield (kg/acre)	250	525	1,050
Unit cost of production (USh/kg)	522	330	262
Gross income (USh/ac)	87,500	183,750	367,500
Net income (USh/ac)	-43,000	10,250	92,500
Output:input ratio	0.67	1.06	1.34
Return to family labour			

Coffee

Uganda's coffee exports for the coffee year 2004/05 totaled about 2.5 million 60-kg bags (equivalent to 150,113 mt) valued at US\$162 million. Compared to 2003/04 coffee year, this performance represents a drop in volume by about 1% and a rise in value by 40%. The coffee export performance is shown in Exhibit V. This is the first time in over five years that Uganda has earned over US\$150 million from coffee exports. This is a promising indicator that could encourage investment in the sub-sector. According to the Uganda Coffee Development Authority (UCDA), the drop in volume was attributed to coffee wilt disease and unfavourable weather. On the other hand, the increase in value was a result of the general improvement in coffee prices on the world market experienced during the year in response to global supply deficit. Reduction in coffee production was reported in some of the major coffee producing countries including Brazil and Vietnam. In Uganda, farm gate prices were

up, around US\$. 500-700 per kg of dried cherry (Kiboko), while the prices for FAQ were US\$ 1,200-1,400 per kg. Arabica parchment prices ranged from between US\$ 2,000 and 2,300 per kg.



The monthly export performance is shown in Exhibit VI. The rise in prices could have been much higher had it not been for the hike in fuel pump prices that affected transport costs, as well as the continued appreciation of the local shilling to the US dollar in the early part of FY05. World coffee prices continued to improve largely on the account of supply deficit. Coffee exports by destination showed that countries in the European Union were the major importers of Ugandan coffee, representing over 70% followed by the Sudan with 25%.

Exhibit VI: Comparative Coffee Export Performance: 2003/04 – 2004/05 Seasons

Month	2003/04		2004/05		% Change	
	Vol (60kg bags)	Val (US\$)	Vol (60kg bags)	Val (US\$)	Volume	Value
October	133,774	5,531,235	185,933	8,248,721	39	49
November	137,920	5,960,398	182,881	8,301,451	33	39
December	228,577	10,055,251	237,406	12,369,677	4	23
January	296,041	13,382,527	214,723	11,450,326	(28)	(15)
February	235,193	11,215,555	215,118	12,390,484	(9)	10
March	235,578	11,912,013	195,417	13,932,031	(17)	17
April	177,569	8,766,967	211,388	15,347,589	19	75
May	180,901	8,617,413	220,025	16,777,748	22	95
June	263,178	12,648,736	229,251	18,067,505	(13)	43
July	284,090	12,805,080	251,013	18,618,507	(12)	45
August	187,365	7,873,035	219,447	16,541,894	17	110
September	162,856	6,937,634	142,288	10,032,617	(11)	45
Total	2,523,042	115,705,844	2,501,890	162,078,550	(1)	40

Source: UCDA

Much of APEP's activity during the year centred on establishment of demonstration sites, training of farmers on quality improvement and improved agronomic practices, and bulk for marketing. APEP TA worked closely with UCDA district staff, agricultural sub-county extension staff and private exporters. APEP in collaboration with eight exporters focused on measures to address some of the factors that have contributed to low productivity as identified in a key coffee stakeholders' workshop held in Kampala on December 10, 2004 to review APEP's one year field experiences and to discuss the way forward for the coffee industry in view of the declining productivity. The major factors identified included declining soil fertility, pest and diseases especially Coffee Wilt Disease in Robusta growing zones,

Coffee Berry Disease and Leaf Rust in Arabica areas, coupled with poor farm and post-harvest management practices. Field demonstration approach as a major means of technology transfer was used as a methodology to reverse the declining productivity trend. According to field day records, a total of 20,154 farmers that included 2,412 women benefited from the new demonstration sites. During the same period 4,448 farmers from the already established demonstrations were further exposed to improved coffee technologies and good management practices. This brings the total number of sites established and the number of farmers exposed this reporting year to 20,154.

Although it is still early to undertake an economic analysis of the benefits associated with adoption, indications are that if quality can be improved within a short time using better management, yields can gradually increase with time. The most immediate benefit farmers have realized from adopting improved drying methods is the price premium they continued to receive. During the reporting period, farmers who used tarpaulins or a raised platform to dry their coffee received a premium of US\$ 100-150 per kg. Adoptions have shown significant economic performance enhancements as is highlighted in Exhibit VII.

Parameter	Traditional	Low input	High input
Yield (kg/acre) <i>Kiboko</i>	350	840	2000
Unit cost of production (US\$/kg)	417	354	312
Gross income (US\$/ac)	210,000	504,000	1,200,000
Net income (US\$/ac)	64,000	207,000	577,000
Output:input ratio	1.44	1.70	1.93
Return to family labour			

Sunflower

APEP collaboration with A.K. Oils & Fats (U) Ltd continued in Lira, Apac, Masindi and Sironko districts. During the reporting period, about 10,000 outgrowers were registered with the company to produce sunflower grain from the new hybrid. Each farmer signed a contract to sell off-take from his/her production and as such represented a formal out grower production program. Over the two seasons harvested during the reporting period, a total of 7,960mt of sunflower grain was procured by the company, resulting in an income of US\$ 2.786 billion for the registered farmers. The price paid averaged 45% above that offered by the market for the synthetic Sunfola variety.

Parameter	Traditional	Low input
Yield (kg/acre)	300	700
Unit cost of production (US\$/kg)	373	246
Gross income (US\$/ac)	60,000	245,000
Net income (US\$/ac)	-52,000	73,000
Output:input ratio	0.54	1.42
Return to family labour	-919	1 393

Yield results indicated that the hybrid variety produced more than twice the traditional and degraded Sunfola variety, with low input yields performing at just over 500-700 kg per acre and high input yields performing at 850-1,000 kg per acre. Returns from the hybrid variety are also more encouraging (Exhibit VIII). About 36,500 kg of the hybrid seed was sold for the 2005B season. This is expected to plant approximately 18,250 acres by 10,000 farmers, all of whom are registered in an outgrower scheme (OGS). An estimated 28,790 farmers were exposed to improved production technologies during the seasons.

For the first time, a large group of small scale farmers have been effectively engaged in an outgrower model under contract to an off-taker who is offering pre-plant contract prices. The company involved, A.K. Oils & Fats (U) Ltd, is providing a full range of support services to about 10,000 farmers registered in Lira, Apac, Masindi and Sironko districts using the APEP extension model to facilitate. The company has developed a system where all of the site coordinators were engaged in the procurement process at the village to ensure that a greater percentage of the sunflower output is bought back. This has given farmers an even greater sense of security as far as the market is concerned. This is highlighted by the fact

that small scale resource poor farmers paid cash to the site coordinators for seed in advance at US\$ 7,000 per kg. This amounted to US\$ 125 million collected by the company against future deliveries of hybrid sunflower seed. This is a very strong indicator of farmer confidence in the company, its outreach system and in the technology.

Sesame

During the period under review, meetings were held with all the companies dealing in sesame trade and it was agreed that an association would be registered. In this way, production efficiency training provided to farmers would benefit all the association members and a stronger linkage would be developed between farmers and exporters. However, by the time of writing this report, registration of the association had not been completed and thus no formal producer-market alliances were established.

During 2004B season, a total of 800 sesame demonstration sites were established in 8 districts, mainly in northern Uganda. The demonstration sites were established in collaboration with three enterprise partners. Roka Ale Trading Co. Ltd established 450 sites in Nebbi, Arua, Yumbe and Moyo districts. Outspan Enterprises Co. Ltd established 150 sites Lira, Apac and Kaberamaido for organic products only and Mukwano Industries established 200 sites in Lira, Apac and Masindi. The sesame technology package consisted of 3 kg of seed and sisal string. The approach included appropriate agronomic practices without any additional inputs. Yields obtained in sesame demonstrations "Sesim II" were about 370 kg/acre compared to 150-180 kg/acre for the old variety. Due to a failed effort to assemble the industry around a national association, there was no active sesame partnership during the 2005A season.

So far in 2005 B season, 270 demonstration sites have been established in collaboration with three partners. Outspan Enterprises Company and Shares! (U) Ltd in Lira, Apac and Kaberamaido districts for organic products; and CARE Uganda in Arua and Nebbi districts. An estimated 2,946 farmers have been exposed to improved production technologies such as timely and proper land preparation, timely planting, proper plant spacing and weed and pest control during season 2005B. This brings the number of farmers exposed to improved practice this year to 15,271 farmers as shown in Exhibit IX.

Exhibit IX: Number of Sesame Farmers Reached

Company	District(s)	2004B	2005B
Outspan Enterprises Co.	Lira / Apac / Kaberamaido	5,993	1,045
Shares! (U) Ltd	Lira / Apac	-	1,132
Roka Ale Trading Co.	Nebbi / Arua / Moyo / Yumbe	3,043	
CARE International	Arua / Nebbi	-	769
A.K. Oils & Fats (U) Ltd	Lira / Apac	3,289	
Total		12,325	2,946
Annual Total			15,271

The sesame industry is still fragmented as far as organized or large scale off-takers are concerned. As a result, investments in sesame partnerships with private traders through the SAF may prove impossible in the short term. Despite this set back, APEP has continued to support the formation of a national sesame producers association.

Upland rice

APEP continued to work closely with the Office of the Vice President, the United Nations Development Programme (UNDP) local contractor Africa 2000 Network (A2N), NAADS, and the private sector. A total of 725 demonstration sites (each of ½ acre) were established with 11,570 farmers being trained (47% being females) in upland rice production. At the national level, 13 districts were involved in rice production. As a result of the interests and interventions, the national rice area and output in 2004 increased by at least 4,000 ha and 10,000 mt respectively, representing a 12.5% increase over 2003. Uganda currently

cultivates about 70,000 to 80,000 ha of rice and imports between 35,000- 40,000 mt per year. Results indicators for upland rice for the year 2004/5 are shown in Exhibit X below.

Exhibit X: APEP Results Indicator Table for 2004/2005 Upland Rice Performance			
	Projected Performance	Actual performance 2004/5 Crop	% Difference
Season	2004/5		
Price (milled rice), USh/kg	600	755	25%
Successful demonstrations	245	200	-18%
Collaborating Farmer target (CF)	3,675	2,935	-20%
Acreage/CF	30	15	-50%
Total demo acreage target	122.5	100	18%
Yield/acre traditional (milled rice)	0	370	
Yield per acre improved methods(milled rice)	1,178	1,060	-10%

Results obtained from sentinel sites and discussions with farmer groups indicate good returns resulting from adoption (Exhibit XI). The high external input package includes the appropriate agronomic practices, TSP and Urea fertilizers and use of herbicide. Under low external input (seeds and adopting agronomic practices, proper seeding rate, line planting, proper weeding, timely planting) an estimated 29,653 farmers adopted at least the low input package with different partners - representing 100% of those trained.

Exhibit XI: Upland Rice Efficiency Comparison by Technology			
Parameter	Traditional	Low input	High input
Yield (kg/acre) unmilled	800	1,500	2,400
Unit cost of production (USh/kg)*	291	226	201
Gross income (USh/ac)	280,000	525,000	840,000
Net income (USh/ac)	47,400	186,750	358,200
Output:input ratio	1.20	1.55	1.74
Return to family labour (USh/person day)	1,002	3,017	5,322

A core activity during the period under review was, in addition to popularization of the NERICA varieties, the multiplication of seed particularly for farmer-to-farmer distribution. This has the effect of rapidly multiplying production areas. With effective demonstrations of the complete technology package, adopters are able to buy commercial seed from their fellow producers. This activity has catalyzed seed for an additional 6,700 acres of upland rice production either through the formal sector or through the informal farmer-to-farmer system. This is particularly noticeable in Kumi district under the NAADS partnership where over 3,000 acres have been registered for production.

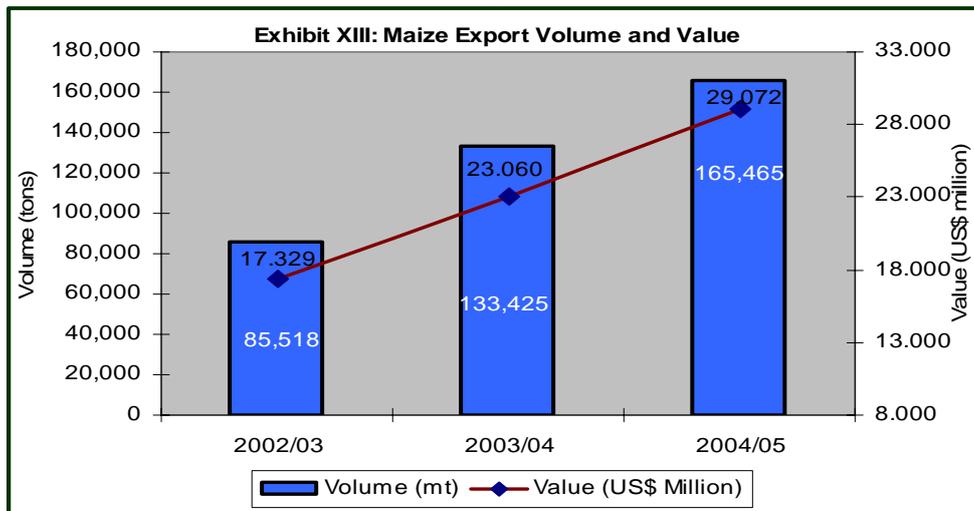
Maize

During the reporting period, APEP TA continued to work with commercial maize farmers and main although no new demonstration sites were established, commercial farmers in some of the maize growing areas such as Kapchorwa, Mubende, Bugiri, Iganga, Kamuli and Kiboga received technical training with UGTL in crop husbandry and post-harvest handling, marketing as well as linkages to input and output suppliers and financial service providers. Results from sentinel sites show high returns attributed to technology adoptions (Exhibit XII). The period under review also witnessed a stronger APEP-private sector

Exhibit XII: Maize Efficiency Comparison by Technology			
Parameter	Traditional	Low input	High input
Yield (kg/acre)	600	1,700	3,000
Unit cost of production (USh/kg)	207	120	105
Gross income (USh/ac)	102,000	289,000	510,000
Net income (USh/ac)	-22,200	85,100	194,300
Output:input ratio	0.82	1.42	1.62
Return to family labour	-663	3,591	6,168

collaboration, with UGTL fully involved activities such as training and monitoring of farmers' fields. The trend in maize exports is shown in Exhibit XIII.

Exhibit XIII: Maize Export Volume and Value



According to RATIN's regional trade database, trade in maize along Uganda's eastern and southern borders with Kenya and Rwanda respectively remained brisk, as a high demand for maize in the neighboring countries increased the flow of maize from production centers in Uganda. Over 88,000 mt were exported over the past twelve months, with nearly 75% of the maize being exported to Kenya (Exhibit XIV). At an average price of US\$130 per mt, Uganda earned about US\$6,160,000 through the cross border trade in maize to these two countries.

Barley

The Uganda Breweries Limited (UBL) was engaged in a partnership with APEP through the SAF program in the production of barley in Kapchorwa. A total of 32 demonstration sites were established in collaboration with UBL during 2005A season. Each demonstration site was one acre with a high external input package. Two varieties of seed were planted namely Karne (40kg/acre) and Sabini (34kg/acre). 50 kg of DAP and 20 kg of Urea fertilizer rates were applied. Yields from the demonstrations averaging 1,750 kg/acre were significantly higher than the output from farmers' fields of 800 kg/acre.

Vanilla

APEP continued to provide both financial and technical support to the industry through the Association of the Vanilla Exporters of Uganda (VANEX). Over 10,000 vanilla growers were exposed to improved production practices through the established demonstration sites and farmers outreach extension programs. With a grant from APEP, VANEX has managed to reach out to over 4,500 vanilla farmers through the established 60 demonstration sites. Emphasis has been put on training farmers in improved field management practices such as shade management, mulching, proper looping, 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). APEP, working together with VANEX, has reviewed the Code of Practice (CoP) for the Vanilla Industry. Plans to implement the CoP are underway.

Exhibit XIV: Uganda Maize Exports to Kenya and Rwanda: October 2004 – March 2005

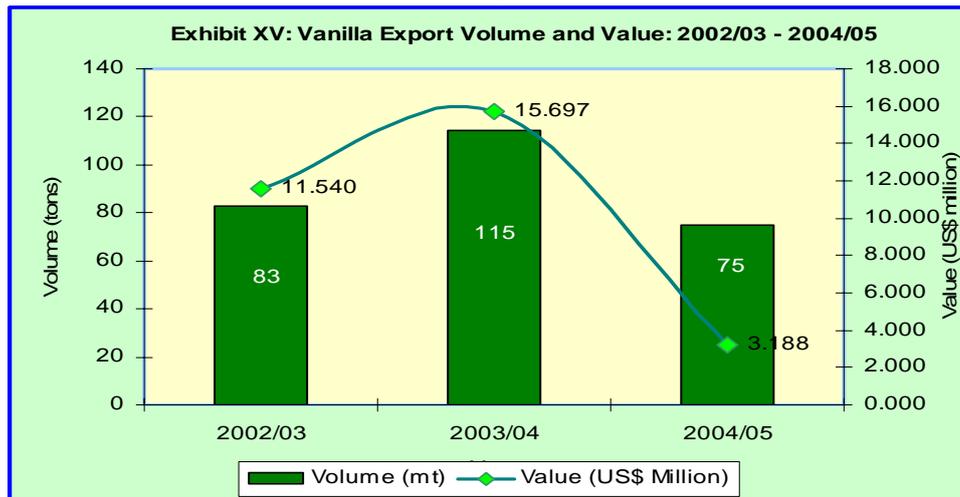
(Figures in mt)

Month	Kenya	Rwanda	Total
Oct 2004	4,020	1,351	5,371
Nov 2004	328	766	1,094
Dec 2004	4,289	1,103	5,392
Jan 2005	12,409	2,853	15,262
Feb 2005	10,701	3,061	13,762
Mar 2005	3,413	3,080	6,493
Apr 2005	2,644	2,810	5,454
May 2005	4,663	2,275	6,938
Jun 2005	4,406	1,616	6,022
Jul 2005	4,504	2,119	6,623
Aug 2005	14,103	1,675	15,778
Sep 2005	n.a	n.a	n.a
Total	65,480	22,709	88,189

Source: RATIN Regional Trade Flow Database

During the reporting period, an estimate of 860 mt of green vanilla beans were harvested, which is equivalent to 143 mt of processed cured vanilla. Farm gate price of green vanilla beans dropped from about US\$ 7,000-10,000 (in December 2004) to US\$ 1,000–3,500 (in July 2005) but the quality remained good although a small percentage was lost in field as beans over matured. Overall, the world vanilla price remained depressed due to the large supply in Madagascar and reduced demand due to some of the end-users switching to synthetic vanillin. Generally prices per kilogram of cured beans during the year were about US\$20–US\$65. Most processors who have remained in the business have stocks, export volumes dropped to about 75 mt of cured vanilla, compared to about 115 mt from the previous year (Exhibit XV).

Exhibit XV: Vanilla Export Volume and Value



Banana (Matooke)

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, over 10,000 producers were exposed to improved banana production and maintenance practices. Preliminary results have shown improvement in general management of the plantation, sucker size and although it is still early to confirm, bunch sizes have also improved. As a result, farmers who have adopted improved management practices have realized encouraging results (Exhibit XVI).

Parameter	Traditional	Low input	High input
Yield (kg/acre)	2,100	18,000	24,000
Unit cost of production (USh/kg)	43	39	33
Gross income (USh/ac)	280,000	1,200,000	1,800,000
Net income (USh/ac)	190,000	499,000	1,014,000
Output:input ratio	3.11	1.71	2.29
Return to family labour (USh/person day)	1,939	4,309	8,060

In collaboration with the National Agricultural Research Organization (NARO) and ASPS II, APEP continued to produce and distribute Banana Bacterial Wilt (BBW) posters in all of the major banana growing districts. APEP is part of a working group set up by MAAIF and has been mandated to concentrate on the provision of information, training and improved awareness about the disease.

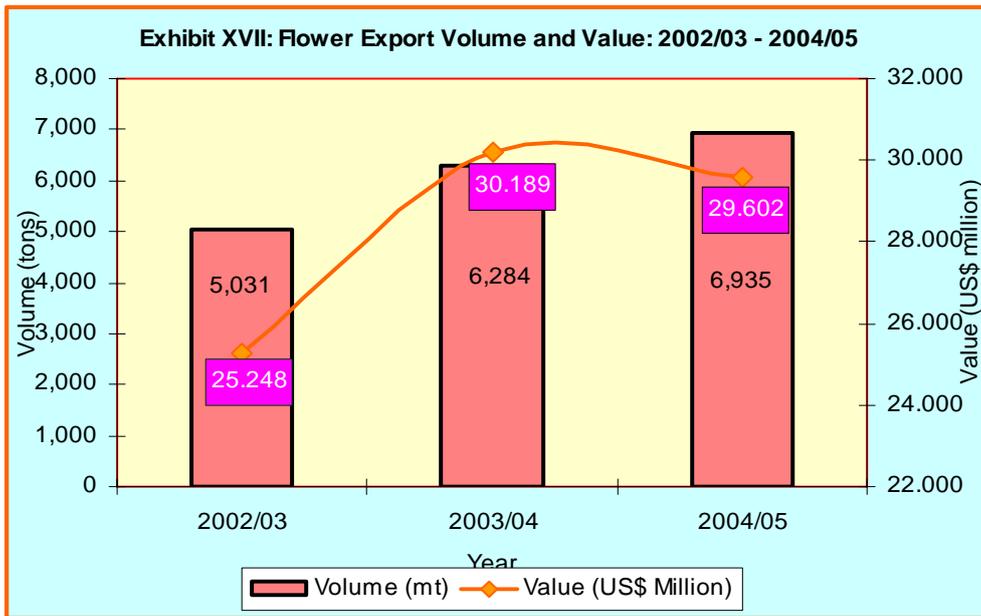
APEP participated actively in “America Days”, organized in Mbarara District by the US Embassy. Particular emphasis was placed on banana production (*matooke*) and the devastating Banana Bacterial Wilt (BBW) disease.

Flowers

With SAF support from APEP, the Uganda Flower Exporters Association (UFEA) continued to support the industry through research, training and market promotion. APEP also focused

on the issue of quality and 17 (out of 19 flower farms) registered for Milieu Project Sierteelt (MPS) inspections. In 2004/05, the floriculture industry expanded by an additional 33.1 ha (of which 12.5 ha were under cuttings and 20.6 ha under roses). The flower industry continued to provide employment to about 7,000 people, with at least 60% of the employees being females. Uganda participated in the FLORALIES exhibition that took place in Ghent Belgium and was awarded the second highest honour based on high quality of the roses exhibited and uniqueness and design of the Ugandan stand. At the capacity building level, 18 mid-level supervisors are being trained under the Applied Tropical Floriculture (ATF) program and 18 managers were trained in Integrated Pest Management (IPM). Exhibit XVII below shows the trend of flower exports from Uganda between 2002/03 and 2004/05 as reported by Fresh Handling Limited (FHL). The export volume of roses and plant cuttings in 2004/05 reached 6,935 mt valued at about US\$29.6 million.

Exhibit XVII: Flower Export Volume and Value



PROGRESS BY PROJECT INTERMEDIATE RESULTS

Overall project progress to-date towards meeting LOP targets are shown in Annex B. By the end of the second year, APEP has attained as much as 60-80% progress in most of the benchmarks. The achievements were made possible by a combination of factors that are highlighted in the sub-sections under the various Project Intermediate Results (PIRs). The following sections review progress by objective for the reporting period. Under each objective are the LOP targets and strategies adopted by APEP. These are then followed by a narrative for each benchmark (highlighted in a box) under a specific objective. Against each benchmark is an overall rating of the achievement to-date (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 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.

Objective 1: Expand Access to Agribusiness Services

LOP 400 Input suppliers providing services to 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 implies working on both the supply and demand sides. APEP has continued to work with individual farmers and farmer groups to promote increased use of appropriate services and inputs. APEP has also worked with service providers to improve their capability to deliver quality services to clients. This has resulted in increased efficiencies of market linkages that have in turn contributed towards increased business efficiencies for the overall commodity chain. Service provision to the agricultural sector has been supported through associations such as Uganda Vanilla Exporters Association (VANEX), Uganda Flower Exporters Association (UFEA), Uganda Seed Traders Association (USTA) as well as private firms such as ginners, grain traders and coffee processors. Financial assistance provided by APEP has allowed these organizations to reach out to membership through targeted extension services. For instance, VANEX has received financial assistance to broadcast weekly radio programs in the three vanilla regions. The input distribution network has continued to receive support in the form of technical assistance, training and credit guarantees in order to strengthen the existing stockists as well as to attract new ones and thus expand the network.

Benchmark 1.1: At least 200 input supply stockists trained and linked to suppliers by 9/30/2005
 ~281 stockists trained and linked to suppliers/distributors (140% accomplished).

During the reporting period, APEP continued to provide technical oversight to the 281 stockists so far trained since the commencement of APEP. Furthermore, APEP collaborated

with AT Uganda in mobilizing stockists to form branches of the Uganda National Agri-input Dealers Association (UNADA), to enable the stockists get access to a credit guarantee scheme to improve their businesses. An additional 127 stockists were trained and these will be linked to suppliers during the third work plan year. The training targeted new stockists including the Depot Committees organized under the PO component and covered aspects of product knowledge, small business management, and safe and effective use and handling.

The distribution of the monthly newsletter, *"Agri-Input Markets, Uganda"* went on smoothly, and this has enhanced market transparency and contributed to the development of dealer capacity. To further develop the stockist effectiveness, APEP, in partnership with AT Uganda and UNADA, continued to extend the credit guarantee scheme to 75 stockists through their branches. Using the same funds, two suppliers who have been beneficiaries are continuing to roll over the credit as follows: Keith Associates (US\$ 90 million through DFCU Bank) to expedite importation of some inputs, and Victoria Seeds (US\$ 60 million through Stanbic Bank) for seed crop purchase from contract growers.

Benchmark 1.2: At least 6 POs concluded bulk inputs procurement agreements by 9/30/2005
 ~216 POs have concluded bulk input procurement agreements
 (3,600% accomplished)

The majority of APEP TA for POs consisted of budgeting and capital mobilization, input needs assessment, bulk negotiating and procurement, receiving and distributing bulk input supplies. Additionally, APEP TA continued, throughout the reporting period, to facilitate formal linkages between the POs and input suppliers. The input suppliers linked with POs included Monsanto, Sukura Agro Input Supply, Idhatujje Fellowship Farm Agency, Victoria Seeds, Ibero, General and Allied, and Ssinga Farm Supply.

From October 2004 to September 2005, farmers from 216 POs working under 38 Depot Committees (DCs) in the districts of Kamuli, Iganga, Masaka, Mubende, Pallisa, Bugiri, Kiboga, Kumi, Lira and Apac were able to put into practice a bulk input supply exercise. This number represents a significant increase from the initial number of 9 POs who carried out this activity last season. There are several reasons for this large jump in the number of POs carrying out bulk input supply activities:

1. **Savings** – farmers are starting to understand that savings can be realized if they are able to negotiate and buy their inputs in bulk. Exhibit XVII below demonstrates the savings that have been realized by PO members. Farmers from these 216 POs have saved around US\$63,964 as a result of negotiating and buying inputs in bulk.

Exhibit XVII: Summary of DC Savings on Inputs
 (Exchange rate: 1\$=US\$ 1,700)

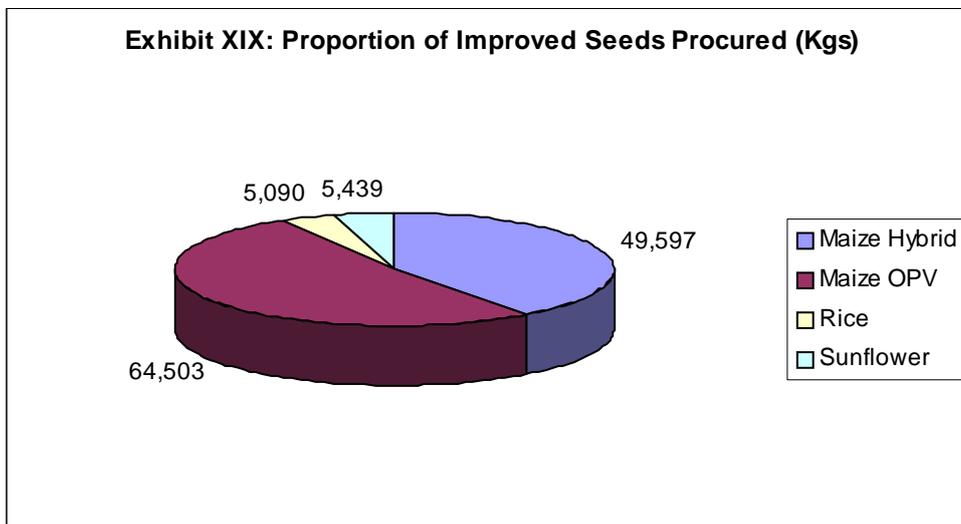
Summary of DC Savings on Inputs		
Item	Uganda Shs	US Dollars (1\$ = U
Seed	54,991,100	32,348
Herbicides	40,932,100	24,078
Fertilizer	4,272,000	2,513
Others	8,543,900	5,026
Total	108,739,100	63,964

2. **Working together** – through continued training and actual case studies of POs who have been successful in their bulk input activities, farmers have realized the need to work together in as far as bulk procurement of inputs is concerned. As the number of farmers who have received tangible benefits from such an activity

has increased, farmer to farmer communication networks have further reinforced the reputable and pragmatic nature of bulk inputs.

3. **APEP** – the training and technical assistance on the part of the project has aptly demonstrated to farmers that there are real benefits to carrying out this type of an exercise. Farmer to farmer communication, in conjunction with APEP TA, also helps farmers overcome the challenges of having enough capital to purchase inputs. In addition farmers have been taught the necessary organizational, management and business skills to carry out supply complex activities

The 216 POs who carried out a bulk input supply activity took the exercise a step further by consolidating their input orders. The consolidation of multiple PO input orders was done through 38 Depot Committees (DC) made up of representatives of participating POs. A total of 124.6 tons of improved seed including Maize Hybrid, Maize OPV, Sunflower and Rice seed were procured. Maize seed represented the biggest proportion of the seed procurement as indicated in Exhibit XIX.



In addition 6,500 units of herbicides (including Roundup® MAX and Roundup® EC), 674 bags (50kg) of DAP and Urea fertilizer and 951 units of other inputs including sprayers and tarpaulins were procured.

A recurring challenge included the lack of availability of inputs in areas of operation, regardless to the amount of capital that POs had made available to procure inputs. This difficulty was overcome in several different ways. In the district of Kiboga, certain POs were linked to large scale suppliers in Kampala. While transport costs were higher, POs were still able to save money due to the volume of inputs procured. In Masaka, the coffee buyer Ibero continued to supply drying tarpaulins that were not available through local input suppliers. By the end of September 2005, a total of 1,200 tarpaulins had been distributed in Bigasa and Kamuli.

Benchmark 1.3: At least 25 agricultural financial service provider branches providing services to APEP clients by 9/30/2005
 ~23 financial service provider branches providing services to APEP clients (92% accomplished)

Production Credit: APEP worked with 10 branches of CERUDEB, Standard Chartered Bank, and 2 SOMED branches in a bid to expand their agricultural portfolios while also working towards the creation of new agricultural lending outlets in other areas of APEP

operation. In addition to the formal lending outlets, Uganda Breweries Ltd (UBL) extended barley production credit to APEP-trained farmers in Kapchorwa.

Trade Finance Credit: dfcu Bank and Stanbic Bank in Kampala have extended APEP guaranteed trade finance facilities to two APEP Agro-inputs Clients; Keith Associates and Victoria Seeds, respectively.

Agro-input Stockist Credit: The APEP guaranteed UNADA Stockist Credit Scheme generated 7 new credit service points. A total amount of US\$ 350 million was designated as guarantee funds for the ATAIN/UNADA Stockists Credit Guarantee Scheme. Seven suppliers/distributors were involved in the program in which agricultural inputs credit of US\$ 93,059,600 was advanced to 75 stockists in the districts of Kapchorwa, Mbale, Mayuge, Nakasongola, Masindi, Mityana, Pallisa and Tororo. The credit program has generated input sales worth US\$ 225,232,000.

In total, 23 financial service provider outlets were involved in providing financial services to APEP clients during the reporting period.

APEP has continued to focus on key intervention areas with the following outcomes:

- **Development of Agricultural Production Finance:**

1. APEP continued to provide TA and training to CERUDEB staff. During the reporting period, APEP participated in the training of 20 new Agricultural Loans Officers who have now been deployed. This was complemented with linking the trained bankable APEP farmers to the appropriate financial service branch outlets.
2. APEP continued in the advocacy for agricultural lending with key decision makers of financial institutions and other stakeholders including participation in the development of the "Action Plan for Agricultural Finance" by Bank of Uganda.

- **Development of Agricultural Marketing Finance:**

1. **Grain Collateral Management DCA Guarantee Structure Development.** APEP participated in the design of the \$13 million Grain Collateral Management DCA Guarantee. The DCA Guarantee is designed to encourage banks to finance non-contracted grain trade. Standard Chartered Bank has already signed up for the guarantee scheme. Stanbic Bank and Barclays Bank will complete the process shortly.
2. **Support to Grain Trade Financing.** APEP, in collaboration with ASPs II, is spearheading the development of support software for grain price forecasting and warehouse receipt discounting for banks to be complemented by training banks in grain trade and warehouse receipt financing with participation of Standard Chartered Bank, Stanbic Bank, Allied Bank, Barclays Bank and dfcu Bank. This is expected to facilitate new bank involvement in the finance of non-contracted grain that would benefit APEP clients especially in light of the now available Grain Trade DCA Guarantee.

Despite the above achievements, challenges encountered include the staff shortage in most branches limiting the expansion of the agricultural portfolios, non-participation in agricultural lending by other commercial banks, and the limited branch outreach of CERUDEB. It should be pointed out that the progress of this benchmark is partly dependent on the pace of the participating banks, yet APEP does not have direct influence over the opening of new branches or the commencement of agricultural finance in existing branches not yet participating.

Benchmark 1.4: At least \$700,000 in agricultural credit extended to APEP clients by 9/30/2005
 ~\$1,404,485 in agricultural credit extended to APEP clients (200% accomplished)

Nearly \$1,404,485 was loaned to 3,076 small holder farmers between October 2004 and September 2005 (Exhibit XX). During the reporting period, 3 new CERUDEB branches in Kiboga, Bugiri, and Kyenjojo commenced agricultural lending specifically targeting APEP maize and rice farmers in the respective districts. UBL extended credit to APEP trained barley farmers in Kapchorwa worth US\$ 432,625,300 in the form of seed and fertilizer during season 2005A/B.

Exhibit XX: Agricultural Credit from October 2004 to September 2005

	Branch	Districts	No. of Loans	Females	Males	Total Amount (US\$)
1	CERUDEB Mbale	Kapchorwa, Mbale, Sironko, Pallisa, Tororo	473	14	459	723,500,000
2	CERUDEB Hoima	Hoima, Masindi, Kibaale	110	7	103	356,000,000
3	CERUDEB Kasese	Kasese, Kamwenge	6	4	2	11,800,000
4	CERUDEB Mityana	Mityana, Mubende, Kiboga	113	7	106	106,220,000
5	CERUDEB Kyotera	Rakai	135	9	126	193,320,000
6	CERUDEB Tororo	Tororo, Busia	76	0	76	77,023,000
7	CERUDEB Lira	Lira, Apac	54	2	55	31,330,000
8	CERUDEB Bugiri	Bugiri, Iganga	16	0	16	9,850,000
9	CERUDEB Kiboga	Kiboga	32	2	30	18,709,277
10	CERUDEB Kyenjojo	Kyenjojo	10	0	10	9,800,000
11	Standard Chartered Bank	Kapchorwa, Hoima	15	0	15	393,120,000
12	SOMED Masindi	Masindi	350	72	278	160,000,000
13	SOMED Hoima	Hoima	416	54	362	75,000,000
14	Uganda Breweries Ltd	Kapchorwa	1270	26	1244	432,625,300
	TOTAL		3,076	197	2,882	2,598,297,577
	US\$ Equivalent (1 USD= US\$ 1,850)					USD 1,404,485

Benchmark 1.5: At least 5,000 ha cotton seed production handled by the private sector by 9/30/2005
 ~ (8,400 ha established, 168% accomplished)

During the 2004/05 cotton season, APEP TA, in collaboration with the Cotton Development Organization (CDO), Nyakatonzi Coop Union, Bon Holdings Ltd, Dunavant, Novo Enterprises, COTTCO, COPCOT, North Bukedi Cotton Company and CN Kachumbala established 8,097 ha of seed crop through 13,200 farmers. This enabled the CDO through the various ginners in the country to distribute about 8,330 tons of cotton seed to cotton farmers countrywide during the 2005/6 season. About half of this was delinted seed while the other half was fuzzy seed.

A total of 8,400 ha were planted in 8 segregated areas during the 2005/06 cotton season dedicated to cotton seed production using the newly released BPA-2002 variety. APEP-supported demonstration kits have also been distributed to all of these seed areas and in collaboration with Quton, a Zimbabwe company contracted by the Uganda Cotton Ginners and Exporters Association (UCGEA), emphasis has continued to be on maintenance of varietal purity, improved crop husbandry and yield-enhancing technology adoption. The cotton segregated areas are therefore cornerstones that the cotton industry is using to raise the volume and quality of planting seed to cotton farmers of Uganda.

Benchmark 1.6: Vanilla extension support provided in at least 3 regions by 9/30/2005
~Extension support provided in three regions (100% accomplished)

APEP provided both technical and financial support with a view to developing VANEX as a strong and self-sustaining association. Through the SAF, a grant was extended to VANEX to support rural extension services, outreach programs, radio programs and demonstration plots. After numerous field visits by APEP TA and the VANEX Field Director in all vanilla growing areas, a total of 60 demonstration sites were identified and selected for the field training activities. Thirty-seven (37) sites are located in the central region, 13 in eastern and 10 in western of Uganda. Four site coordinators were also assigned to work in the central region and two each in the eastern and western regions. The 8 site coordinators and 60 extension workers were provided motorcycles and bicycles respectively to facilitate their field activities. A total of 96 radio programs were aired on three radio stations namely Central Broadcasting Service (CBS), Voice of Toro (VOT) and Kira FM Radio.

The major challenge facing the Uganda vanilla industry continues to be the maintenance of quality vanilla with a high vanillin content plus other flavor profiles so that Ugandan vanilla can remain internationally competitive and attract international buyers, despite the current low prices. Farmers are also being encouraged not to lose faith in the crop during the current depressed prices.

Benchmark 1.7: Coffee extension support provided to at least 4,000 coffee farmers by 9/30/2005
~2,250 farmers have received extension support from APEP (56% accomplished)

The promotion and dissemination of appropriate farm level coffee technologies to the farmers occurred mainly through producer groups, cooperative societies, Community Based Organizations (CBOs) and other organized stakeholders. Support was provided through village-based training on demonstrations and trials of improved technologies that included pruning, conversion cycles, mulching, IPM and application of both inorganic and organic fertilizer plus appropriate post-harvest handling practices. Training materials such as posters and brochures were also developed and disseminated for use in the promotion of technology.

Based on field day records, coffee technologies developed have been promoted and disseminated to at least 2,250 coffee farmers in the districts of Ibanda, Mityana and Mubende in addition to Masaka, Mbarara, Bushenyi, Mbale and Rakai. In collaboration with the exporters, these farmers have continued to receive regular technical assistance from APEP through the extension-support network. The failure to reach the target of 4,000 farmers was mainly due to the inadequacy in the number of technical personnel with the appropriate knowledge and skills. Efforts are now focusing on identification of technical personnel so APEP TA can undertake Training of Trainers (ToT).

Benchmark 1.8: National agro-input census completed by 2/28/05
~National agro-input census conducted and report submitted in November 2004 (100% accomplished)

A national agro-input census was successfully conducted in November 2004 and a detailed report is available at APEP. Some highlights of the census results include the following:

- The census identified a total of 2,264 input dealers, out of whom 1,083 (48%) sell only crop inputs, 617 (27%) sell livestock inputs, and 564 (25%) sell both.
- Nearly 45% of the stockists reported dealing only in crop inputs, 18% in feeds and drugs, 15% in drugs and 10% in feeds only.
- The majority (80%) are sole owners, while partnerships constitute 6%, with formally registered companies constituting 6%. The others include NGOs/CBOs (3%) and cooperatives (2%).
- Most input dealers have been in business for less than five years, a fact that might be attributed to the work started by IDEA project and continuing under APEP.
- Overall, 42% of the dealers reported having received some form of training related to their business – ranging from degrees and certificates to short courses and workshops.
- The sale of animal drugs required higher levels of education, but there were no significant differences in the education levels of female as opposed to male stockists.

Benchmark 1.9: Stockists training manual produced by 3/31/2005
~Training manual produced (100% accomplished)

The training manual “*Agri-Input Retailer Guide for Uganda*” was produced. A total of 550 copies were printed, out of which nearly 480 were distributed to trainees and some collaborators.

APEP commenced the preparation of the PERSUAP, which was expanded to include PRIME/West and Title II partners. The document is in draft form.

Benchmark 1.10: Stockist training provided to at least 20 PO Depot Managers by 9/30/05
~20 PO Depot Managers trained (100% accomplished).

Although no specific training events were organized specifically for Depot Managers, 20 of them were trained together with new stockists at various locations. The process of organizing Depot Committees is on-going and those DCs ready to commence business have been encouraged to send their managers to on-going stockist training events.

Benchmark 1.11: Stockist training provided to at least 20 Producer Organisation Trainers (POTs) by 5/31/05
~28 POTs trained in disciplines of stockist management (140% accomplished).

The training of POTs took place, as scheduled, from April 21-22, 2005 in Kampala. The number trained exceeded the amount planned because more POTs had been recruited to meet the expanded PO activities. All 28 POTs successfully completed the training and are now assisting stockists in their areas of operation.

Benchmark 1.12: At least 25 input suppliers and distributors trained by 9/30/2005
~54 input suppliers and distributors trained (216% accomplished).

This training of input suppliers and distributors was conducted in April 2005 in Kampala. The training generated so much interest among input importers and suppliers that some companies requested to send more than one representative. Thus, the total number of trainees represented about 30 companies. The topics covered included: Global Fertiliser Markets; International Fertiliser Trading; Customer Service and Sales Promotion; Margins, Accounting Records and Profitability; and Types and/or Formulations of Fertilizers, Seeds and CPPs.

Benchmark 1.13: At least 9 agri-input stockist newsletters produced and distributed by 9/30/2005
~9 agri-inputs stockist newsletters produced (100% accomplished)

APEP began printing and distributing the monthly newsletter for agri-input dealers with the January 2005 issue bringing the number produced through September to nine. The information contained includes: input prices in Kampala (wholesale and retail), international fertilizer prices (FOB main sources), weekly wholesale commodity prices in selected towns in Uganda, and an analysis of the Kenyan fertilizer supply situation. In addition, topical issues relevant to the sub-sector are discussed. A "Tip of the Month" has now been added, where a particular issue is elaborated, for instance, Record Keeping, Fertiliser Handling, etc. Attempts have been made to distribute the newsletter as widely as possible but the biggest challenge is to reach rural stockists. The newsletters can be found on the APEP website.

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:** This objective focuses on strengthening market development systems and developing competitive marketing strategies so that Uganda's products reach local, regional, and international markets. Improved efficiency activity interventions have focused on: productivity at the farm-level; quality at the farm or business; and organizational efficiencies. The approach has been to link established groups of producers more directly with markets where possible, develop and implement grades and standards and ensure that producer incentives are realized to sustain efforts to improve quality. Market information and analysis services have been evaluated through industry firms and associations, as well as inward marketing visits. In addition to farm level support, this objective has sought to promote better quality, traceability and reliability from the farm level in order to service markets better. Although APEP is not primarily an export-oriented project, work has continued with exporter clients to enable them meet requirements in the regional and international markets.

Benchmark 2.1: Technical and market linkage support provided to at least 35 agribusiness firms including at least 25 new firms by 9/30/2005
~77 agribusiness firms provided technical and market linkages (220% accomplished)

The entire national cotton sub-sector continued to be engaged through the system of zoning in the technology transfer process. Each ginnery through lead ginners has been engaged through SAF funding and is partnering with APEP TA in specific demonstration and training activities. All 33 ginneries participated during the 2004/2005 production year.

The coffee sub-sector has initiated sustainable technology transfer. In total, 8 leading coffee exporters and processors operating in districts of Kapchorwa, Sironko, Mbale, Kamuli, Masaka, Rakai, Ibanda, Bushenyi, Mityana and Mubende, in collaboration with APEP TA, have provided technical and market linkage to well organized and managed market oriented coffee producer groups. Specifically, APEP TA and the 8 exporters undertook the implementation of a redefined demonstration and training process to address on-farm productivity enhancement and post-harvest quality and food safety practices.

A total of 8 rice processors namely TILDA rice in Bugiri, Nyati rice in Hoima, Savannah Commodities in Luwero, Sunrise in Kampala, Busiro North Foundation in Wakiso, Masaka Commercial Upland Rice Millers in Masaka, Apac Upland Rice Growers in Apac, Network Farmer in Masindi and UGTL based in Kampala, continued to receive technical and market linkage support from APEP. At least three seed processors were linked to producers in a number of major producing areas.

Technical and market linkage support was also provided to industry-level associations and consortia, such as UFEA, VANEX, UGCEA, UGTL and UBL. Excellent work was done through the A. K. Oils & Fats Ltd partnership in developing a commercial outreach mechanism supporting sunflower production over 4 districts. This work has involved both technical and market linkage support. The company has developed a cluster system of farmer support which it is implementing in 17 areas. This mechanism can support up to 45,000 small scale producers. The cluster approach is seen as a new business opportunity since each cluster will be supported, initially by a donor – in the case of Masindi by ASPSII and in the case of at least 5 clusters in Lira and Apac by NAADS. It is envisaged that these clusters, once operating and showing real productivity and utility, will be led by the farmers groups established to serve the cluster mechanism. APEP is working in collaboration with SCOPE to design this activity. APEP assisted with 3 inward buying visits from vanilla extractors, and referred 10 inquiries to VANEX.

Although this reporting period was to see the establishment of a Sesame Producers and Exporters Association, efforts to bring the industry together are still ongoing. It is therefore expected that support to the association will commence as soon as full registration is completed. This association will provide a vehicle for supporting the sesame industry at the production level if not initially at the marketing level. Farmer – association linkages will be a key to developing this sector.

APEP responded to a request to support the organic cotton activity in northern Uganda by developing technical support programs with Lango Organic Farming Promotion (an NGO) in conjunction with Lango Cooperative Union and BoWevil (a Dutch organic trading house).

In all, APEP provided technical and market linkage support to 77 agribusiness firms, public institutions and industry/national associations (20 of them being new additions to those assisted during the previous year). Annex C highlights activities initiated with agribusiness firms during the reporting period.

Benchmark 2.2: Technical and market linkage support provided to at least 50 agro-processors including at least 20 new processors by 9/30/2005
~52 agro-processors received technical and market linkage support (102% accomplished)

APEP continued to collaborate with 33 ginneries, five grains processors, two rice millers, three seed processors, five coffee processors, one cardamom processor, and the vanilla and flower exporters associations. In addition, rice processors have received a significant boost with the expansion of the upland rice production program. A total of eight rice milling operations are now being serviced by APEP TA, which have commenced full operations in rice processing and marketing. Sesame processors continued to receive one-on-one TA, although the new association will bring them into a more workable grouping. Support to Roka Ale Trading Co. and Outspan Enterprises Co., the sesame processors, continued this reporting period with Shares (U) Limited coming on board as the 3rd sesame processor receiving support.

The relationship with the Kapchorwa Commercial Farmers Association (KACOFA) developed further during the reporting period as the association embarked on its first ever WFP contract for maize grain. The association signed a supply agreement in December for 3,000 mt. With significant APEP TA involvement in procurement, pricing, processing, and liaising with banks for funding, KACOFA are servicing the contract and have established a successful association level processing capacity at the Sebei-Elgon Union facility in Kapchorwa. The challenge lays in encouraging the loose commercial farmers association to centrally stock grain prior to the sale to WFP. This lucrative contract was completed with deliveries of 1,500 mt by July 31, 2005.

Uganda Grain Traders Ltd. continued to provide processing support to the UBL–KACOFA production program. Barley deliveries during the reporting period for seasons 2004B and 2005A were 589 and 1,268mt respectively. Total value was US\$ 743 million. The production and processing has been very encouraging for UBL and it has embarked on an expansion program to procure 5,000mt during the 2006 production year with a farm value of US\$2.0 billion.

Benchmark 2.3: Banana commodity business plan developed and adopted by 9/30/2005
~No banana commodity business plan developed (0% accomplished, awaiting formal approval from MFPED)

APEP took several key steps towards the development of the banana commodity business plan. APEP TA provided support towards the development of the Ugandan Market Driven Transformation Strategy for the banana sector. In collaboration with eight consultants sent from the GOU with support from the Rockefeller Foundation, assessments have been made on the competitiveness of the market. APEP has also assisted TechnoServe and the Rockefeller Foundation to design a pilot project in Bushenyi District. This project will address capacity building, marketing and transport and transformation of industrial banana and drip irrigation kits for small holder production. UMACIS consultants have forwarded the proposed program to the Ministry of Finance and are awaiting approval.

Benchmark 2.4: Technical guidance provided to 3 agribusiness firms to develop production, sourcing and marketing plans by 9/30/2005
~Guidance provided to 5 private sector agribusiness entities (167% accomplished)

During the reporting period, APEP TA provided production, sourcing and marketing plans for Mukwano Agro Projects (MAP) to develop the concept of seed production to support their agricultural project objectives, with specific reference to sunflower hybrid seed production in the initial stages.

UBL was assisted to develop a production and procurement plan, in partnership with UGTL as contract intermediation to secure barley production in the eastern highland area to support their new brand, which attracts a lower excise duty. APEP TA in collaboration with Kenya Maltings Ltd and Farm Inputs Care Centre (FICA) Ltd provided production, sourcing and marketing plans for UBL to develop the concept of seed production to support their agricultural project objectives, with specific reference to Karne and Sabini seed production in the initial stages in Kapchorwa and Kabarole districts.

Both Savanna and Sunrise rice procurement operations have been assisted to develop procurement plans for paddy rice to service their rice milling operations in Luwero, Arua and Kyenjojo, Kabarole, respectively.

Benchmark 2.5: Coffee sustainability indexes for Uganda harmonized and disseminated by 9/30/2005
~Coffee sustainability indexes not yet fully harmonized (50% accomplished. Harmonization in progress through collaborative efforts)

There is on-going collaboration between APEP, the coffee industry, government and development partners towards building of sustainability indexes for the coffee industry. APEP through both TA and SAF provided both technical support to facilitate the gap filling and mitigation of the deficiencies identified during the gap analysis. Initially 2,400 coffee farmers in Bigasa sub-county in Masaka district participated in the International Coffee Partners (ICP) gap filling sustainability index. The ICP is constituted by roasters that include Tchibo from Germany, Pauling from Finland, Lavazza from Italy and Leesburg from Sweden. The only non roaster in the ICP is Neumann Group of Companies that is a green coffee trade house. On-farm training focused on increased yield and quality per unit area/tree and good post-harvest handling practices with special attention given to areas of potential mould growth and Ochratoxin A contamination.

Benchmark 2.6: At least 10 flower market analysis reports produced by 9/30/2005
~9 reports produced (90% accomplished)

Through the APEP SAF, the Uganda Flowers Exporters Association (UFEA) was awarded a grant to support UFEA-led interventions in the flower industry. Areas addressed included research, training and market development. With APEP financial support, the research and training specialist has been facilitated to conduct pre-audit visits on 17 flower farms in preparation for external audits. Out of the 17 farms, fourteen have been awarded MPS (Milieu Project Sierteelt -internationally accepted standards for flower producers) certificates. Nine market analysis reports with updates of the industry developments and various training events including safe use of pesticides and trade exhibition have been accomplished.

APEP facilitated the participation of UFEA in the FLORALIES exhibition in Ghent, Belgium. This prestigious trade exhibition takes place once every 5 years and brings together business people from horticulture and floriculture worldwide. Through the exhibition, Uganda was awarded the second highest honour due to the high quality of roses displayed and uniqueness and design of the Ugandan stand.

Industry challenges include high cost of air freight, depreciation of the Euro, packaging and marketing, environmental regulations and increasing competition from other producing countries, especially Kenya, and now Ethiopia. Harvest and post-harvest handling practices are still inadequate but on-the-job training in post-harvest handling of fresh cut flowers following the manual as well as temperature monitoring at flower farms is improving.

Benchmark 2.7: At least 6 vanilla market analysis reports produced by 9/30/2005
~6 vanilla market analysis reports produced (100% accomplished)

Through the support provided by the APEP SAF, VANEX produced six vanilla market analysis reports. The reports highlight production and productivity of green vanilla beans at farm level, and Uganda's export performance on the international scene.

APEP TA and members of VANEX undertook a study tour of the vanilla industry in Madagascar, organized by the EU. It was observed that a crop of approximately 1,400 mt of cured vanilla did exist, putting downward pressure on world prices. Thereafter, a World Vanilla Business Congress was attended by the same participants in Nice. Apart from technical presentations, the participants were able to get good sense of supply-demand relationships for natural vanilla, with an understanding that the market will remain oversupplied for the next 2 years.

Benchmark 2.8: Technical input provided to RATIN to produce 6 market analysis reports by 9/30/2005
~6 monthly reports produced by RATIN (100% accomplished)

The Regional Agricultural Trade Intelligence Network (RATIN) conducted regional discussion groups to bring together a consensus forecast of production for maize and beans. APEP TA contributed to such discussions. Additionally, APEP contributed to the formulation of a regional seminar on the grain trade to be held in Nairobi during October 2005. RATIN monthly forecasts are now summarized on the RATIN web site.

Benchmark 2.9: The Vanilla Code of Practice reviewed and implemented by 9/30/2005
~The Code of Practice for the Vanilla Industry has been reviewed (70% accomplished, on-going activity)

The Code of Practice (CoP) for the vanilla industry in Uganda has been updated. The CoP lays down requirements for controlling quality in the production and processing chain. Implementation of the CoP commenced towards the end of the reporting period. Trainings on the CoP were extended to the vanilla growers through VANEX coordinators and extension workers, with emphasis on increasing production, productivity and quality of the crop at all levels of production. Adherence to CoP guidelines will lead to improved quality and market acceptability.

<p>Benchmark 2.10: At least 30 exporter firms assisted by 9/30/2005 ~68 exporter firms assisted (227% accomplished)</p>
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Exporter firms are not a discrete subset within the APEP client portfolio. They are all agribusiness firms and many are also agro processors. Assistance to all of these firms (and associations) contributes to this benchmark by aggregation. Each ginner is an exporter firm in its own right and as such has received support through the demonstration and training activity of the project. During the reporting period, APEP supported all the 33 cotton ginner and exporters, 1 vegetable oil exporter, 8 coffee exporters, 6 vanilla exporters, 19 flower exporting firms, and 1 cardamom exporter.

In many respects, these exporters have their own established market linkages and market intelligence, so APEP has not contributed significantly to developing market opportunities, except in the case of vanilla. In other cases, such as coffee, APEP has linked producers to exporters. APEP has also collaborated with SCOPE on industry cluster activities.

Because of our institutional knowledge in fruits and vegetables from the former IDEA project, APEP continues to be called upon to provide technical input for consultants working in such areas as grades and standards, and linking smallholders to mainstream markets. The COP has been participating in a World Bank sponsored video seminar on “Strategic Development of Horticulture Value Chains in Sub-Saharan Africa – that encompasses both fresh produce and flowers.

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 focuses on fostering linkages between producers and the rest of the commodity market chain. The strategy focuses on individual commodity chains and clusters and linkages to various players such that formal or semi-formal marketing alliances are forged. The intensity of the market linkage or alliance depends on the nature of the commodity and the potential existing for significant contract arrangements. APEP worked in two main areas, at the business or large association level - through the business or PO driven models, and at the producer level through PO commercialization to build producer-market linkages. Quality standards, buyer requirements, and other market chain support activities have been emphasized.

<p>Benchmark 3.1: At least 14,000 APEP assisted coffee farmers linked with coffee exporters by 9/30/2005 ~15,800 coffee farmers have been linked (119% accomplished)</p>

APEP in collaboration with MTL, Ibero (U) Ltd, Olam (U) Ltd, Kawacom (U) Ltd UNEX, Ankole Coffee Processors and Kaweri Coffee Farmers Alliance established commercially-oriented coffee POs and strengthened some of the existing societies in the districts of Kapchorwa, Bushenyi, Rakai, Masaka, Kamuli, Ibanda, Mityana and Mbale to achieve better levels of management and organization. Through better management and organization, the POs and societies have been able to access improved production techniques and better farm gate coffee prices. During the period under review, a total of 15,800 APEP assisted coffee farmers were linked to 6 coffee exporters.

Benchmark 3.2:	At least 70,000 APEP assisted cotton farmers linked with cotton ginners by 9/30/2005 <i>109,127 farmers linked (156% accomplished).</i>
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By September 2005, all of the 109,127 cotton farmers who received training at the 7,592 field demonstration sites established with APEP support had registered with various cotton ginneries around the country. These farmers were able to access planting seed and cotton pesticides procured by the ginneries at subsidized prices for pest control. Additionally, through the APEP PO activity, some 5,930 producers have formed 270 cotton producer organizations. It is expected that these producers will be directly linked with cotton ginners at the start of the 2005/06 cotton buying season.

Benchmark 3.3:	At least 12,000 APEP assisted sunflower farmers engaged with at least 1 sunflower processing firm in OGS by 9/30/2005 <i>~Approximately 11,300 farmers registered with an OGS linked to 1 sunflower exporting firm and 1 barley buyer (94% accomplished)</i>
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Sunflower: APEP collaboration with A.K. Oils & Fats (U) Ltd continued in Lira, Apac, Masindi and Sironko districts. About 10,000 outgrowers were registered during the reporting period to produce sunflower grain from the new hybrid on contract for the company. Each farmer signed a contract to sell off-take from his/her production and as such represented a formal out grower production program. Over the two seasons harvested during the reporting period, a total of 7,960mt of sunflower grain was procured by the company. The price paid to farmers averaged 45% above that offered by other private buyers for the synthetic Sunfola variety. A total of 43,000 kg of the new hybrid sunflower seed variety was sold during 2004B and 2005A seasons and estimated to establish 21,500 acres. A total of 36,500 kg of the same seed has been sold to-date for 2005B season and this is expected to result in planting of approximately 18,250 acres by 10,000 farmers all registered in an OGS.

A.K. Oils and Fats (U) Ltd. devoted a great amount of effort to strengthening its farmer relationships by developing and instituting specific individual grower contracts which were signed by each grower. The company further developed a system where all the site coordinators were engaged in the procurement process at the village to ensure that a greater percentage of the sunflower output is bought back. This gave the farmers an even greater sense of security as far as the market is concerned. This is highlighted by the fact that small scale resource poor farmers paid cash to the site coordinators for seed in advance at US\$ 7,000 per kg. This amounted to US\$ 125 million collected by the company against future deliveries of hybrid sunflower seed. This is a very strong indicator of farmer confidence a) in the company and its outreach system and, b) in the technology itself.

Additionally, and with financial assistance from ASPSP through the Masindi District Farmers Association, the establishment of 5 rural cluster centres in Masindi district is underway by A.K. Oils & Fats (U) Ltd in collaboration with APEP. These centres will be serving farmers registered in the Out grower Scheme (OGS) as a source of technical and market information, training facilities and for input distribution and output procurement as well as potentially the introduction of rural financial services, with TA from Rural SPEED.

Barley: Although not part of the 2004/5 work plan, an opportunity arose during the year to establish an additional out grower scheme under the grains portfolio. In partnership with UGTL and through a SAF agreement with UBL, a pilot out grower program was established. About 1,300 out-growers were registered during the reporting period to produce barley grain using the two varieties that were introduced from Kenya. From the 2004B and 2005A seasons, 1,857mt of product was realized.

Seed amounting to 175,000 kg of Karne and Sabini varieties was distributed during 2004B and 2005A seasons and estimated to establish about 4,000 acres over the two growing seasons. For the 2005B season, 120,000 kg of seed was distributed, enough to plant approximately 2,600 acres by the 1,300 farmers all registered in an OGS. Each farmer has signed a contract with Kapchorwa Commercial Farmers Association (KACOFA) who in turn holds the off-take contract for UBL through the process mediation of UGTL.

Benchmark 3.4:	At least 3,000 APEP assisted rice farmers engaged with at least 3 rice processing firms by 9/30/2005 <i>~13,200 farmers engaged with 4 rice processing firms (440% accomplished)</i>
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Out grower Schemes (OGS) were initiated in collaboration with Tilda (U) Ltd, Sunrise and Savannah. Under a SAF arrangement, two new rice processing companies (Savannah and Sunrise) received grants to develop out grower schemes in Masindi and Kabarole. A total of 280 demonstration sites including 95 acres of commercial seed production were set up to provide the outgrowers with the necessary skills in growing rice. APEP TA provided technical support to the Vice President's initiative, on upland rice technology training in 24 districts. Although this received no financial support apart from training from APEP, the farmers are currently being linked to rice processors. More than 13,200 farmers have benefited from this activity so far.

The farmers are currently being grouped into producer associations under the Uganda Commercial Upland Rice Association with the assistance of Africa 2000 Network (UNDP supported project) and Sasakawa Global 2000.

Benchmark 3.5:	At least 6,000 APEP assisted sesame farmers engaged with at least 3 sesame exporting firms by 9/30/2005 <i>~No farmers directly engaged with sesame exporting firms through APEP interventions (0% accomplished)</i>
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During the period under review, meetings were held with all of the companies dealing in sesame trade and it was agreed that an association would be registered. In this way, production efficiency training provided to farmers would benefit all the association members and a stronger linkage would be developed between farmers and exporters. Registration of the association has not been completed to-date and thus no formal producer-market alliances have been established. Given that sesame is a commodity with a multiple channel marketing system for the local and export markets, it is seemingly difficult to develop concrete OGS.

During the 2005B season, an understanding was reached between APEP and 2 export companies operating in Lira, Apac and Kaberamaido to promote organic sesame production in the area. The companies are Outspan Enterprises Co. and Shares! (U) Ltd. They both export organic products as well as provide extension support to growers. The establishment of an OGS is underway with 17,000 out-growers registered under the two companies. Lango Organic Farming Promotion, a local NGO, has recently negotiated the title for organic certification and will now be an independent provider of organic produce (cotton and sesame) to the market. An understanding was also reached with an International NGO, CARE Uganda in Arua and Nebbi districts to promote conventional sesame production in the area. CARE Uganda is involved in the formation of farmers' groups with the intent of linking them to the market. Under this arrangement, though no formal producer-to-market alliances have been established, some 1,200 farmers have been registered under these farmers' groups. CARE provides management oversight of the field program while APEP TA provides

the field training activity and technical oversight, as well as linking where possible to the off take markets and supporting demonstration supervision allowances.

Benchmark 3.6: At least 1,000 APEP assisted seed growers linked with 5 seed marketing firms by 9/30/2005
~987 seed growers trained, and linked with seed processing and marketing firms (99% accomplished).

Four formal training sessions for new seed growers were held in Masindi (23 participants), Kabarole (26 participants), Kasese (46 participants) and Soroti (33 participants) in collaboration with FICA and Victoria Seeds companies. The total number of participants was 128, out of whom nearly 25% were females. Together with the 165 seed growers linked in the first year, the total number of seed growers trained and linked to seed processing and marketing firms stood at 293 in the first half of this reporting year. Seven training sessions were held later in the year in which 684 seed growers were trained, bringing the total to 987. Approximately 650 of these are bean seed growers located in the districts of Rakai and Masaka. The bean seed growers affiliated to four seed companies had not received training in seed production issues before and it is hoped this training will enhance their capacity to produce quality seeds.

Benchmark 3.7: At least 3,000 APEP assisted cardamom growers linked with 1 curing/exporting firm by 9/30/2005
~3,800 growers trained and linked with 1 curing/exporting firm (127% accomplished)

The 3,800 APEP assisted farmers have all been linked through training activities to Uganda Crop Industries Ltd (UCIL), an exporting firm. APEP supported the program to create a sustainable cardamom-producing industry in Uganda; which was initiated by UCIL, a privately owned firm located at Sezibwa Estate in Mukono District. UCIL with financial support from APEP, introduced cardamom which can also be inter-cropped with vanilla and coffee, among others. The APEP/UCIL collaboration embarked on cardamom outgrower programs in Mukono and Bundibugyo districts. About 250,000 seedlings were distributed. The selling of cardamom seedlings to farmers was cost-shared to make production and distribution viable for both the supplier and the small farmer.



UCIL cardamom nursery at Sezibwa Estate

Benchmark 3.8: At least 20 formal buyer contracts established between POs and agribusinesses by 9/30/2005
~401 POs have entered into 19 formal buyer contracts with agribusinesses (95% accomplished)

Although this benchmark aims to measure the volume of crop bulked at PO level, real business is shifting from PO to DC level. This is because reasonable volumes that are essential to service contracts are happening at this secondary structure. A case in point is that of Kiboga where 27 POs working under seven DCs bulked 1,025 tons of maize grain and 140 tons of paddy rice. Although only 401 POs working under 59 DCs concluded formal buyer contracts, 208 POs organized around 30 DCs also carried out bulk marketing during the reporting period. Exhibit XXI below details the work carried out by the POs and DCs.

Exhibit XXI: Bulked Volumes by Pos at DC Level

District	Number		Bulk Marketing Crop Volumes (kg) for the period October 2004 to August 2005							
	DCs	POs	Maize	Rice	Sunflower	Barley	Coffee	Cofee FAQ	Cotton	Total Bulk
Lira /Apac	7	55	20,000		1,630,220				121,625	1,771,845
Bugiri	3	10	326,500	198,000					86,400	610,900
Ibanda/Mbarara	18	116					481,150			481,150
Bushenyi	7	81					732,239	585,933		1,318,172
Hoima	1	23		42,000					10,100	52,100
Iganga	2	13	173,735	2,000					33,980	209,715
Kamuli	7	54	688,755	230,360			289,776		19,791	1,228,682
Kapchorwa	4	25	1,100,000			1,857,000				2,957,000
Kasese	-	16							10,196	10,196
Kiboga	7	27	1,025,000	140,000						1,165,000
Kumi	4	23		6,950					201,313	208,263
Masaka	2	15					115,966			115,966
Rakai	6	28						22,380		22,380
Masindi	4	16	104,303	33,090					12,350	149,743
Mbale	2	6					10,000		15,823	25,823
Mubende	2	23	135,528	11,558						147,086
Nebbi / Yumbe	5	30	3200						24,251	27,451
Pallisa	2	12	10,000						37,096	47,096
Tororo	6	36							164,310	164,310
Total	89	609	3,587,021	663,958	1,630,220	1,857,000	1,629,131	608,313	737,235	10,712,878

The reasons for this large increase in the number of DCs and POs carrying out bulk marketing mirrors why POs are also carrying out bulk input supply activities. Farmers are starting to realize the benefits of working closely together and the training and technical assistance from APEP has given the farmers business and managerial skills to help them manage and carry out this type of economic activity. Ibero and Mukwano Industries have fully incorporated the PO Trainers in their respective areas of operations into their field operations. Given the lack of business culture to use signed formal buying contracts, the successes of POs and DCs who have concluded formal contracts with established buyers will be communicated to those POs across the country that have not yet participated in establishing formal buying contracts..

The 401 POs organized under 59 DCs concluded formal contractual marketing arrangements with a variety of buyers and were able to realize an additional US\$259,628 in income enhancement as highlighted in Exhibit XXII. These real life examples will continue to provide excellent motivation for other POs and DCs to enter into formal buyer contracts. Agribusinesses that entered into formal buyer contracts were Ibero, Ugachick, Dunavant, Copcot, Mukwano Industries, Afro-Kai Limited, Nyati Rice Millers, IDS (U) Ltd, and UGTL.

Exhibit XXII: Additional Income as a Result of Bulking

Revenue Analysis - Maize						
Crop	Total Bulked (kg)	Average Price(Ush)	Value	Av. Bulk Price (Ush)	Bulk Value (Ush)	Additional Revenue as a result of Bulking
Iganga	173,735	165	28,666,275	210	36,484,350	7,818,075
Kamuli	688,755	160	110,200,800	210	144,638,550	34,437,750
Kapchorwa	1,100,000	250	275,000,000	270	297,000,000	22,000,000
Kiboga	1,025,000	180	184,500,000	230	235,750,000	51,250,000
Sub Total	2,987,490		598,367,075		713,872,900	115,505,825
Revenue Analysis -Rice						
Crop	Total Bulked (kg)	Average Price(Ush)	Value	Av. Bulk Price (Ush)	Bulk Value (Ush)	Additional Revenue as a result of Bulking
Kamuli	207,523	350	72,632,963	430	89,234,783	16,601,820
Kiboga	140,000	320	44,800,000	370	51,800,000	7,000,000
Sub Total	347,523		117,432,963		141,034,783	23,601,820
Revenue Analysis -Sunflower						
Crop	Total Bulked (kg)	Average Price(Ush)	Value	Av. Bulk Price (Ush)	Bulk Value (Ush)	Additional Revenue as a result of Bulking
Apac/Lira	1,250,251	350	437,587,850	360	450,090,360	12,502,510
Sub Total	1,250,251		437,587,850		450,090,360	12,502,510
Revenue Analysis - Coffee						
Crop	Total Bulked (kg)	Average Price(Ush)	Value	Av. Bulk Price (Ush)	Bulk Value (Ush)	Additional Revenue as a result of Bulking
Bushenyi	732,239	480	351,474,720	590	432,021,010	80,546,290
FAQ	585,933	1,700	996,086,100	1,920	1,124,991,360	128,905,260
Ibanda	481,150	450	216,517,500	600	288,690,000	72,172,500
Rakai	22,380	1,700	38,046,000	1,900	42,522,000	4,476,000
Sub Total	1,799,322		1,602,124,320		1,888,224,370	286,100,050
Revenue Analysis - Cotton						
Crop	Total Bulked (kg)	Average Price(Ush)	Value	Av. Bulk Price (Ush)	Bulk Value (Ush)	Additional Revenue as a result of Bulking
Apac/lira	121,625	350	42,568,750	375	45,609,375	3,040,625
Masindi	12,350	300	3,705,000	350	4,322,500	617,500
Sub Total	133,975		46,273,750		49,931,875	3,658,125
Grand Total						441,368,330

Benchmark 3.9: At least one collaboration with EAFCA and SCAA by 9/30/2005
~Collaboration was reached with EAFCA and SCAA (100% accomplished)

APEP TA in collaboration with UCDA, RATES, NUCAFE and the coffee sub-sector was involved in identifying sites for the CIRAD/ICRAF proposed development of coffee appellation in Uganda. Two sites each for Robusta and Arabica were identified. Mt Elgon Arabica zone coffee farmers working in collaboration with MTL and APEP was identified to represent the Arabica component of the proposed project. The 2nd Africa Fine Coffee Conference and Exhibition was organized in Zambia and the 18th Annual Specialty Conference and Exhibition occurred in Seattle Washington. Some of the coffee samples evaluated and ranked highest in EAFCA region were from APEP- supported exporters.

Objective 4: Increased Investment in Private Sector Agriculture

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

- **Strategy:** Increased private investment and exports in the agricultural sector is critical to Uganda's economic growth. This objective involves activities supporting investment in private sector agriculture. APEP has continued to provide the catalyst to such investments, promoting and actively seeking out opportunities for investment in the selected commodity sectors. Investments have taken the form of new

installations/plants, expansions, improvements in processing capacity, or general value addition activities.

Benchmark 4.1: At least 4 new investments in the coffee sector in place by 9/30/2005
~1 new investment in place (25% accomplished)

During the reporting period, APEP TA continued to work with MTL Ltd by providing technical support in terms of training in coffee washing station processing techniques at both Gibuzale and Manafa washing stations in Sironko and Mbale districts respectively. One new washing station was established in Sironko at a cost of \$120,000 during the reporting period. In addition, two locations were identified for the reintroduction of coffee washing stations in Mbale and Ibanda. Mbarara has been added for the reintroduction of a Robusta washing station. Furthermore, APEP, in conjunction with Kawacom (U) Ltd, will help to establish a coffee washing station for Robusta in Bushenyi.

Benchmark 4.2: At least 2 new investments in the cotton sector in place by 9/30/2005
~5 new investments confirmed in the cotton sector (250% accomplished)

The capital costs associated with new cotton investments remain high. Additionally, Uganda's production is also susceptible to farmer production of seed cotton that occurs in response to prices from previous years. Good prices lead to a hike in production the following year and vice versa. Nevertheless, confidence in the sector is growing. Bushenyi Cotton Company has constructed a new ginnery with 30 gin stands at a total cost of \$950,000. Dunavant has taken a lease on the ginnery at Odokomit near Lira. The cost to refurbish the facility with 40 gin stands is \$300,000. The company has also purchased the Kaberamaido ginnery and has fully refurbished the ginnery in Kitgum. Cotton Club has constructed a new ginnery in Pallisa at the cost of \$800,000, while CN Cotton has refurbished Sironko ginnery at a cost of \$200,000.

Benchmark 4.3: At least 1 new investment in the agri-inputs sector in place by 9/30/2005
~No new investments in the agri-inputs sector in place as yet (0% accomplished).

Mukwano Group of Companies is at an advanced stage of starting a new seed company, while FICA is expected to refurbish and recapitalize their newly acquired seed production and processing units from the privatization of Uganda Seeds Ltd. These investments will, hopefully, materialize within the next reporting period.

Benchmark 4.4: At least 1 new investment in the flowers sector in place by 9/30/2005
~2 small new investments in the flower sector (200% accomplished)

APEP has continued to support the Uganda floriculture industry to expand its present size and remain internationally competitive. Presently, more than 60% of Uganda cut flowers are

sweetheart roses characterized by their small stems, small heads (buds) and bright colours. The sweetheart roses tend to fetch the lowest per-stem prices, hence there is need to move into the production of larger, intermediate roses which earn higher per-stem prices. A vital part of this expansion program is to move to growing larger roses at higher altitude where the night temperatures are cooler.

APEP is working with Pearl Roses to establish a new 10 ha project at Ntungamo, in western Uganda. A technical consultant with experience in Kenya has been identified to assist with the trials. The first phase of the project will be to construct a trial greenhouse under hydroponics to determine which varieties grow best in Ntungamo. APEP's efforts to increase the volumes and diversify the export of roses have, however, been hampered because of local government delays and the need to solicit public support and cooperation, since the investor required various incentives before proceeding with the project. Pearl underwent an environmental impact assessment by NEMA and is awaiting its Certificate of Approval.

Two smaller investments in the flowers sector were accomplished in Mukono district. APEP cost-shared on the preparation of an environmental impact assessment for one of the sites. After submission, it required over 4 months for NEMA to finally issue the Certificate of Approval. As a result, a 3 ha flower farm (Sai farm) was established. Sai farm started exporting roses in August 2005. Furthermore, APEP together with UFEA, provided technical support to KABS Rose Plant (U) Ltd another small flower (2 ha) investment which started propagating roses on a small scale and also sells flowers on the local market.

Benchmark 4.5: At least 2 new investments in the grains sector in place by 9/30/2005
~4 new investments in the grains sector confirmed and in place (200% accomplished)

One large scale, two medium scale and eight smaller rubber roller rice mills have been commissioned. These are Sunrise in Kawempe valued at \$800,000, Savannah Commodities in Luwero (\$100,000), and Busiro North Foundation in Wakiso district (\$60,000). Eight small rubber roller rice mills have been installed in Kiboga, Masaka, Masindi Mukono and Apac at a total cost of \$15,200. Total investment in the rice sub-sector is in excess of \$975,200 in rice processing equipment. With a view to reducing the loss incurred in post-harvest handling, APEP played a major role by encouraging ASPS II Farmers Support Unit and a local investor to purchase two new rice combine harvesters for testing.

Objective 5: Strengthen and Develop Producer Organizations

LOP 200 Producer organizations developed and strengthened

- **Strategy:** APEP has continued to focus on six main areas to address weaknesses and constraints facing POs. These include PO management training, contracting for specialized services, farmer-to-farmer extension, membership management and incentives, credit management and savings, developing capacities to handle bulk procurement of inputs and bulk marketing. APEP has further strengthened the existing POs and expanded into new geographic areas so that existing and new POs may achieve greater economies of scale through bulk marketing and bulk input supply activities. Where POs are nascent or non-existent, APEP has worked with commercially active lead farmers in stimulating group formation.

The PO Trainers replicated in expansion areas the formation of POs which was accomplished throughout year one of APEP activities. Expansion area activities continued to be driven by the market needs of our corporate clients in the field

through collaboration with the APEP Commodity Commercialization Units. All POs that demonstrated a capacity to work together during year one were regrouped under secondary structures called depot committees (DCs). The regrouping of POs under depot committees has allowed them to increase their volume and position as viable players in the agricultural sector. In addition, the creation of well managed and commercially oriented depot committees has gradually reduced the need for TA provided by APEP PO Trainers.

The 28 PO Trainers also received technical training in HIV/AIDS from the USAID sponsored business PART project. They have been actively training PO Lead Farmers in how to carry out and conduct this technical training with PO farmer members.

It should be noted that Objective 5 and Objective 3, "Identify and Support to Producer-Market Alliances" go hand-in-hand as the commercialization of POs and their depot committees is a critical means towards the development and strengthening of successful DCs and POs.

A summary of PO achievements by commodity and area of operation is provided in Annex D.

Benchmark 5.1: At least 40 coffee POs including at least 30 new coffee POs trained and conducting bulk input supply and marketing activities by 9/30/2005
~259 coffee POs involved in bulk input supply and marketing activities (647% achieved)

A total of 259 coffee POs with an active membership of 6,259 farmers operating through 40 DCs were provided with APEP TA and sold a total of 2,205 tons of coffee (Exhibit XXIII). 72 POs from Kamuli bulk marketed 289.7 tons of coffee to Ibero. They received a price that was US\$150 per kg higher than average farmer prices. An additional 72 POs in Mbarara/Bushenyi operating under 7 DCs also bulk marketed a total of 1,318.1 tons of coffee (732.2 tons kiboko and 585.9 tons FAQ) to UNEX. In Bigasa, 15 POs working under 2 DCs also successfully bulked 115.9 tons of coffee and sold to Ibero. The POs in these two areas also received, on average, an additional US\$150 more per kg for their bulked crop.

In Rakai, a total of 28 POs under 6 DCs bulked 22.3 tons (FAQ) for OLAM. OLAM paid an extra 200Ush per kg for this coffee. Furthermore, in Mbale, 6 POs under 2 DCs bulked a 10 ton crop for MTL. It appears that MTL has successfully restructured their field management team and we expect an additional 50 tons of crop to be bulked into MTL by February 2006.

Exhibit XXIII: Additional Revenue Accruing from Bulk Marketing of Coffee
 (Exchange rate: 1US\$= USh 1,700)

Additional revenue accruing from bulk marketing Coffee			
	Volume bulked	Total Revenue	
Crop	Kilograms	Uganda Shs.	US Dollars
Coffee	2,205,064	344,403,930	202,591

Linkages to various coffee buyers have been strengthened; especially with Ibero and Ankole, where 405.74 tons of coffee from Kamuli, Bigasa, and Masaka was bulk marketed to Ibero, while 481.1 tons of coffee was bulked and marketed to Ankole. These numbers will continue to increase as the new PO Trainers work with the existing DCs and their Lead Farmers in conducting external and internal expansions.

The Neumann Kaffe Gruupe (NKG) in conjunction with Ibero sent a consultant in December 2004 to conduct a gap analysis of the social and socio-economic situation of smallholders who are participating in the ICP project with Ibero in Bigasa. The design of the ICP project is meant to incorporate elements of sustainable coffee production as well as a commercial approach in order to improve crop quality and market accessibility which, would in turn, improve the current living standards of participating farmers and their families. The APEP PO Trainer in the area has so far managed to organize 21 POs under 3 DCs. The total farmer membership under the 3 DCs numbers 410.

In order to assess non-compliances of the project farmers in Bigasa sub county, a gap analysis was conducted which identified major shortcomings in the project area on the basis of the 4C matrix and benchmarked the 4C Matrix with other standards such as Rainforest Alliance, Utz Kapeh, NKG's Sustainability Index and SAI practices. To this end, a farmer meeting with 60 farmers was held, 15 farmers were interviewed on their farms, and the farms were inspected and assessed. The most evident gaps were in the areas of agricultural practices, health, sanitation, education and nutrition. Due to the bulk marketing and the market linkages that have been established between the DCs and Ibero, many of the economic criteria are already being met. Other identified gaps such as safe storage, handling and use of agro-chemicals will be covered by APEP and Ibero technical training and assistance.

A similar gap analysis was also conducted in the Luwero/Kikyusa area in mid-March. Results were very similar, though a bigger emphasis on economic problems did surface in Kikyusa. Farmers are not well organized in the area and as a result, many of their marketing and transactional costs tend to be higher. Ibero is also the main buyer in this area and APEP now has one PO Trainer who has started to work with Ibero field staff to get farmers better organized. APEP also trained one of the Ibero field officers in PO organizational and development training in January 2005. The PO organizational and development training and assistance will help participating farmers lower some of their high marketing and transaction costs. Further APEP and Ibero technical agronomic training and assistance will also help participating farmers address the production and CWD problem that is afflicting the area. The 2 PO Trainers have organized around 1,750 farmers in 86 POs. These POs will be regrouped around DCs and will also start bulk marketing activities with Ibero in the upcoming season.

In order to meet and strengthen some of the social criteria, a series of HIV/AIDS trainings have been carried out by the PO Trainer in conjunction with the USAID-funded Business PART project. Ibero will also be looking to use local government adult literacy trainers to help combat the rather high levels of illiteracy in the project area.

Benchmark 5.2: At least 50 cotton POs including at least 40 new cotton POs trained and conducting bulk input supply and marketing activities by 3/31/2005
~196 cotton POs involved in bulk input supply and marketing activities (392% accomplished)

A total of 196 POs in the districts of Kumi, Pallisa, Kasese, Mbale, Tororo, Bugiri, Iganga, Nebbi, Yumbe, Kamuli, Lira and Apac were able to bulk 737.2 tons of seed cotton. A total of 180 POs who consolidated their crop at the DC level benefited from economies of size. APEP TA taught farmers the necessary management and organizational skills required to manage large volumes of crop during the marketing season. In all cases, PO members negotiated prices with the ginners, arranged storage and transport facilities to the buyers. The 196 POs who conducted bulk marketing activities earned a total of US\$9,375 more than the general farmers. A breakdown of these earnings is outlined below (Exhibit XXIV).

Exhibit XXIV: Revenue accruing from bulk marketing Cotton			
	Volume bulked	Additional Revenue	
Crop	Kilograms	Uganda USh.	US Dollars
Cotton	737,235	15,937,255	9,375

At the start of the season many of our corporate partners were doubtful that organizing farmers into commercial producer organizations would bring benefits to both farmers and ginners. A number of the ginners were reluctant to sign forward contracts with POs because they had not successfully worked with farmer groups in prior marketing seasons. The ginners anticipated that farmer groups would apply for large sums of crop finance before cotton is delivered to the ginner stores. As a result, there were no formal contracts between ginners and POs signed before delivery of crop.

After a successful marketing season which witnessed many POs fulfilling their commitments in a highly satisfactory manner, the attitude of the corporate partners has greatly changed. Constant communication and involvement in the ginner activities on the part of APEP TA and PO trainers has led to more ginners getting involved in planning expansion activities and working more closely with the PO trainers. In March 2005, 60 ginner field managers participated in a conservation tillage technical training and Zamwipe TOT in Busiitema Agricultural Mechanized College. A Zamwipe is a simple weed wipe tool used to apply herbicides in row planted and unplanted fields. The objective of the TOT was to provide technical skills that will enable participants to replicate the training to site coordinators and PO lead farmers who will in turn train PO members.

Benchmark 5.3: At least 40 grains POs including at least 30 new grains POs trained and conducting bulk input supply and marketing activities by 9/30/2005
~410 grains POs involved in bulk input supply and marketing activities (1,025 % accomplished)

A total of 410 grain POs with an active membership of 4,830 farmers have been established around 38 DCs. A crop-by-crop breakdown is shown in Exhibit XXV and can be summarized as follows:

- A total of 184 maize POs working under 35 DCs successfully bulk marketed 3,587 tons of maize crop into the following buyers: UGTL, WFP, IDS (U) Ltd and Aponye Uganda Ltd and other buyers.
- A total of 49 sunflower POs conducted bulk marketing activities with Mukwano Industries in Lira and Apac. They sold 1,630 tons of quality sunflower to Mukwano.
- In Kapchorwa, the 25 POs under their 4 DCs marketed 1,857 tons of barley to Uganda Breweries Ltd.
- A total of 152 Rice POs working under 24 DCs bulk marketed 663.9 tons of quality rice into the following buyers: UGTL, Busia Quality Traders, Afro-Kai Limited and Nyati Millers.

The financial results from these POs carrying out and managing these bulk marketing activities can be seen in the table located under benchmark 3.8.

Exhibit XXV: Additional revenue accruing from bulk marketing of Grains

Crop	Volume bulked	Total Revenue	
	Kilograms	Uganda Shs.	US Dollars
Maize	3,587,021	128,018,959	75,305
Rice	663,958	40,861,820	24,036
Sunflower	1,630,220	16,302,200	9,590
Barley	1,857,000	538,530,000	316,782
Total	7,738,199	723,712,979	425,714

Bulk marketing of barley into Uganda Breweries Ltd jumped from 500 tons to 1,857 tons by the end of the marketing season. This represents a very substantial increase and is representative of the increases in the various grain crop producers working with APEP.

Benchmark 5.4: At least 20 Banana POs trained and conducting bulk input supply and marketing activities by 9/30/2005
~0 banana POs involved in bulk input supply and marketing activities (0% accomplished. Farmers are reluctant to sell their matooke in bulk)

A replacement PO trainer was stationed in Rakai in February 2005. The new POT has so far established 11 banana POs and has provided lead farmers with the necessary teaching skills that will enable them to facilitate training sessions for their fellow PO members. Mulching, pruning and post-harvest handling techniques continued to be demonstrated by lead farmers.

No bulk input supply and output marketing took place during this reporting period because the initial POs that were formed by the former PO trainer were not properly carried out. There were serious problems in the screening of members, selecting executives and as a result, POs were not transparent and cohesive. In addition, the banana sub-sector still does not have clear lead buyers for the fruits and farmers appear to sell their fruits through middle men. Negotiations for a reasonable price under this system are difficult since there are so many small buyers. As a result of this reality that exists on the ground, APEP has decided to remove this benchmark for the upcoming season.

Benchmark 5.5: At least 10 Depot Committees trained and conducting bulk input supply and marketing activities by 9/30/2005
~89 Depot Committees involved in bulk input supply and marketing activities (89% accomplished. Assistance will continue to be provided to these DCs throughout the work plan year)

During the reporting period, a total of 89 DCs participated in bulk input supply activities. This was a significant increase from 2004B season marketing activities (first half of the reporting period) in which only 42 DCs participated with only 12 concluding formal contracts. PO trainers assisted in setting up initial contacts with input suppliers and commodity buyers, involving PO representatives and depot managers throughout the activity in order to create sustainability. Of these, 38 DCs (with a total number of 216 POs) signed formal agreements and concluded bulk input supply with six input suppliers namely Sukura Agro Input Supply, Monsanto, Victoria Seeds, General and Allied, Ssinga Farm Supply and Idhatujje Fellowship Farm Agency. All these DCs also concluded bulk marketing contracts with three buyers that included UGTL, Ibero and Aponye (U) Ltd. An additional two DCs from Masindi also concluded formal marketing arrangements with buyers.

In addition, the 59 DCs who concluded formal contractual marketing arrangements with buyers were able to gain an additional US\$259,628 in incremental revenue as highlighted in Exhibit XXVI.

Exhibit XXVI: Additional Income – Formal Contracts

Additional Income - DC bulk marketing - Formal Contracts			
Crop	No. of DCs	Uganda Shs.	US Dollars
Maize	17	115,505,825	67,945
Rice	11	23,601,820	13,883
Sunflower	7	12,502,510	7,354
Coffee	31	286,100,050	168,294
Cotton	11	3,658,125	2,152
Total revenue		441,368,330	259,628

A total of 30 DCs who did not make formal contracts made US\$ 378,050 in revenues as a result of bulk marketing (Exhibit XXVII).

Exhibit XXVII: Additional Income: Non Formal

DC Additional Income from bulk marketing- Non formal			
Crop	No. of DCs	Uganda Shs.	US Dollars
Maize	26	12,513,134	7,361
Rice	19	17,260,000	10,153
Sunflower	2	3,799,690	2,235
Coffee	11	58,303,880	34,296
Barley	4	538,530,000	316,782
Cotton	8	12,279,130	7,223
Total revenue		642,685,834	378,050

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 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 demonstration sites form the core of the technology transfer mechanism of APEP, and hence the key to productivity enhancements. The size, site and management structure of the demonstrations have varied from commodity to commodity, but all have focused on production, harvest and post-harvest aspects to enhance efficiencies.

Benchmark 6.1: At least 1 new coffee processing technique introduced and evaluated by 09/30/2005
~1 new coffee processing technique introduced at 2 sites (100% accomplished)

APEP TA in collaboration with the coffee industry stakeholders continued to promote the re-introduction of washed Robusta processing techniques. APEP, through the SAF, provided financial and technical assistance to Ankole Coffee Processors Ltd in Ibanda district, that has enabled the company revive the production of washed Robusta. This is one of the first few coffee wet mill stations out of the 16 Brazilian pulping stations imported by the GOU under the strategic export program (SEP) to become operational. In Bushenyi district, 2,000 coffee farmers were registered for the production of washed Robusta Utz Kapeh coffee

certification. APEP provided support to Kawacom (U) Ltd in the form of STTA for registration of farmers. With the Kaweri Coffee Farmers Alliance joint wet processed Robusta program with the European Union and DANIDA, APEP established 36 coffee demonstration sites for training of the registered members and provided technical training in improved yield and quality coffee management practices to 2,032 Alliance farmers.

Benchmark 6.2: At least 1 improved coffee farming practice introduced by 9/30/2005
~1 improved coffee farming practice introduced, reaching at least 8,000 coffee farmers (100% accomplished)

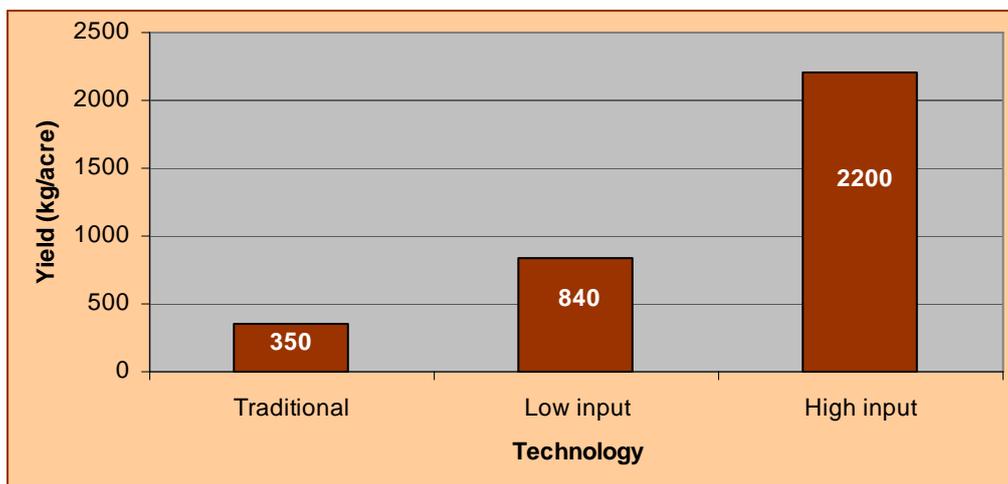
APEP TA in collaboration with the coffee industry and other stakeholders reviewed current and potential farm level cherry drying techniques. The use of tarpaulins was identified as the most effective and efficient way for cherry drying. APEP, in collaboration with the industry and UGTL, provided assistance for the acquisition of 14,000 tarpaulins which have been purchased by both coffee and grain farmers, with 8,000 going to coffee farmers. It is expected that this will go a long way in improving the quality of coffee and reducing the potential production of Ochratoxin A, which is a major health concern for coffee consumers.

Benchmark 6.3: At least 19,000 coffee farmers exposed to improved production techniques through 500 demonstration sites by 9/30/2005
~20,154 coffee farmers exposed through 556 demonstration sites (106% accomplished)

APEP, in collaboration with eight exporters, focused on the measures to address some of the factors that have contributed to low productivity as identified in a key coffee stakeholders' workshop held in Kampala on December 10, 2004 to review APEP's one year field experiences and discussed the way forward for the coffee industry. Field demonstration approach as a major means of technology transfer was used as a methodology to reverse the declining productivity trend. During this reporting period, APEP TA continued to monitor and provide technical support to the existing and new 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 20,154 farmers, of which 2,412 were women, were in attendance.

Demonstrations have shown significant economic performance enhancements as is highlighted in Exhibit XXVIII below.

Exhibit XXVIII: Robusta Kiboko Coffee Yield by Technology



Benchmark 6.4: At least 100,000 cotton farmers exposed to improved production techniques through 4,000 demonstration sites by 9/30/2005
 ~112,000 farmers exposed (112% accomplished)

A total of 112,000 farmers were exposed through the 7,138 demonstration sites established in 2004. Mean yields realized by farmers across all zones as shown in Exhibits XXIX and XXX reflected significant yield increases over traditional yields generally estimated at about 200kg per acre.

During the 2005/06 cotton season 6,994 conventional demonstration sites (down from the previous year of 7,138) were established in the 8 cotton production zones of the country that have so far exposed 102,112 farmers to improved cotton production management practices. APEP also responded to a request from one of the cotton companies - Dunavant to design and provide training support for the establishment of an organic cotton initiative in their operational area of Northern Uganda. 200 demonstrations were established in Alito sub-county of Lira district, exposing 3,040 farmers to various organic production practices. Support was also provided to another organic products company - Bowevil. The company has been operating out of Lira for the past few years. APEP designed an improved organic cotton production technology package. The package included for the first time, soil fertility management options with the additional of vermiculite, improved pest management with Neem oil, molasses traps for moth counting, the use of liquid soap for early sucking pest control and a full pest scouting package using pegboards and similar decision making tools that are available to the conventional program. Bowevil field staff was trained and the company subsequently established 398 demonstrations with financial support from ASPS II. This program exposed 3,975 farmers to improved production methods during the period under review. ASPS II committed US\$ 48.2 million towards the organic cotton effort Lira and Apac as a cost-share with Bo Weevil.

Exhibit XXIX: Seed Cotton Demonstration Yields

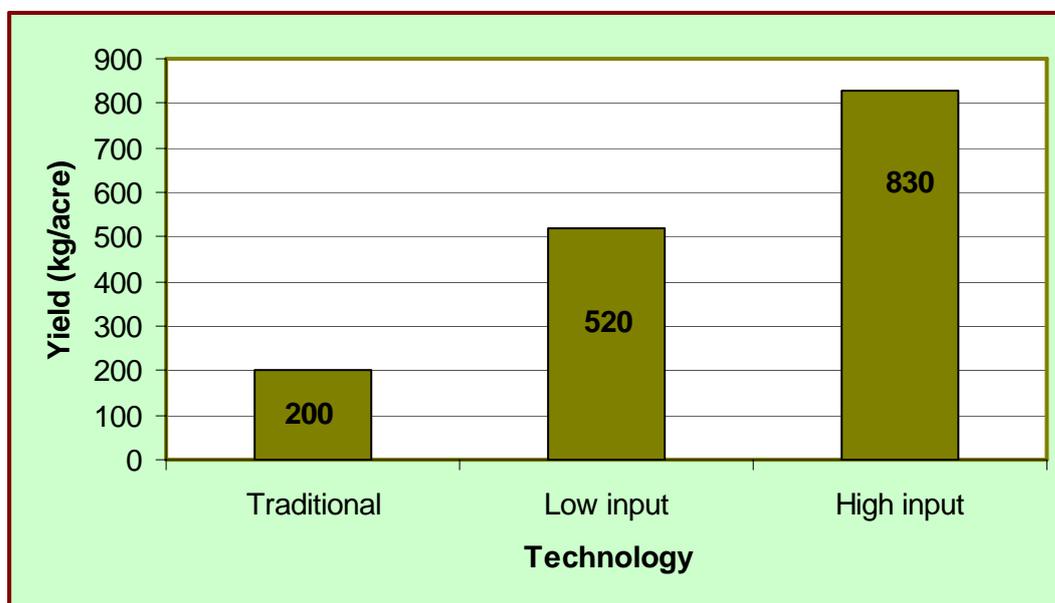
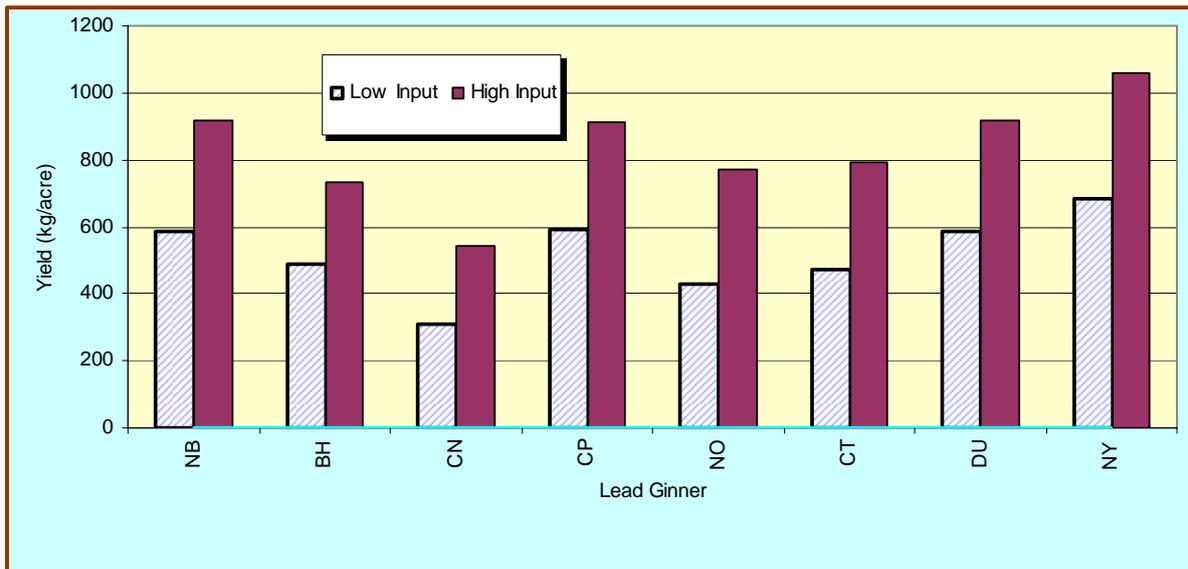


Exhibit XXX: Seed Cotton Yields by Zone and Technology

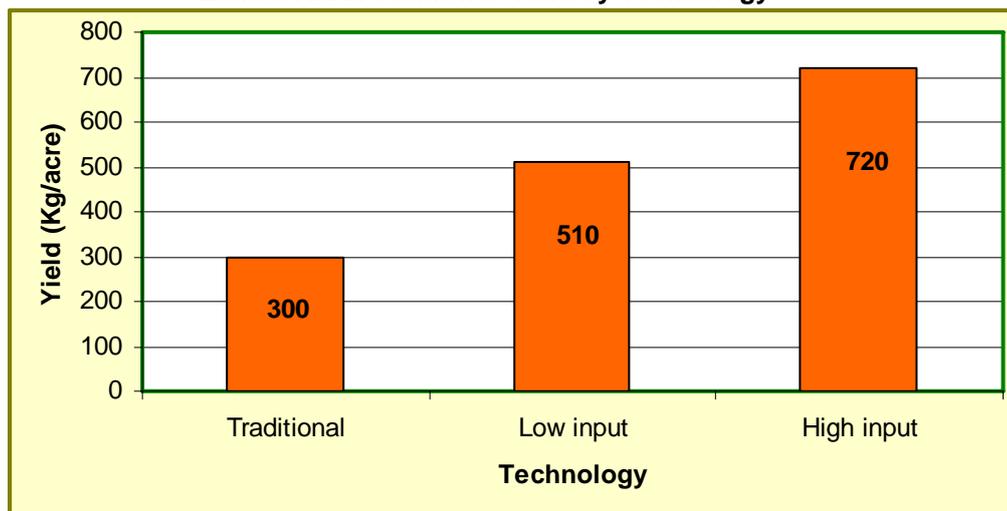
In regard to partnership, APEP was also able to attract the support of other donors and leverage some of their resources to finance activities under the demonstrations program. US\$ 140 million was committed by NAADS towards procuring a portion of the fertilizers issued by farmers.

Results with the organic demonstrations have been very encouraging. For the first time, farmers actually see an option for pest control which fits into the organic restrictions. Yield potentials look encouraging, and it is anticipated that NARO will adopt a research agenda that includes new bio pesticides for the organic system and also support the improvement of the pest control system in conventional cotton. This will advance suggestions made under the APEP PERSUAP.

Benchmark 6.5: At least 20,000 sunflower farmers exposed to improved production techniques through 1,000 sunflower demonstration sites by 9/30/2005
~28,790 sunflower farmers exposed through 600 demonstration sites by end of September 2005. (143% accomplished)

During the reporting period, there was a follow-up on 600 demonstration sites established in collaboration with A.K. Oils and Fats (U) Ltd during season 2004B in Lira, Apac and Masindi districts. A total of 1,700 demonstrations were further established in Lira, Apac, Masindi and Sironko districts during seasons 2005A and B. About 28,790 farmers were exposed to improved production technologies during the seasons. Each one-acre demonstration site received a technology package through the APEP SAF. Sites were divided into low and high external input partitions. The low input package addressed agronomic practices and use of hybrid seed, and the high external input package incorporated appropriate agronomic practices as well as additional inputs such as DAP and Urea fertilizers and herbicide during season 2004B. At each site the hybrid PAN 7351 sunflower variety was planted.

Results from the demonstration sites (Exhibit XXXI) showed that the hybrid produced significantly higher yields than the traditional open pollinated varieties. Yields reached 740 kg/acre from high external input sites (with highs in excess of 1,200 kg/acre) and 540 kg of grain on average per acre from the low input sites (with highs of 800 kg/acre). Open pollinated varieties by comparison yielded about 300 kg/acre.

Exhibit XXXI: Sunflower Yield by Technology

Benchmark 6.6: At least 12,000 upland rice farmers exposed to improved production techniques through 600 upland rice demonstration sites by 9/30/2005
~29,653 upland farmers exposed in season 2004B & 2005A through 2,045 demonstration sites (247% accomplished)

There were two SAF partnerships established during the 2004/05 production season. One with Savannah Commodities in Masindi, and another with Sunrise Commodities in Kabarole. A total of 131 demonstration plots of one acre each were set up under direct SAF partnerships, as well as seed production blocks of 96 individual acres reaching a total of 2,486 farmers under SAF intervention between the two companies. Continued technical support to various rice promotion programs with different partners added value to the APEP upland rice component. Such partnership multiplied by approximately ten-fold the number of farmers reached. Partners included the Vice President's Upland Rice program where APEP TA is seen as the key component, NAADS where a direct financial contribution led to expansion in two new areas – Kumi and Bugiri (also in partnership with a large corporate Tilda (U) Ltd), JICA, SG2000-Uganda, A2N/UNDP where APEP TA contributed to the UNDP releasing funds to its field implementer – A2N. APEP TA worked directly with the partners by providing training and demonstration establishment.

A total of 2,045 demonstration sites were established with different partners. The technologies demonstrated included low and high input packages. The high external input package included appropriate agronomic practices, TSP and Urea fertilizers and the use of herbicide. Under A2N/UNDP and NAADS collaboration promotion, farmers were exposed to organic pest control and soil fertility methods with rotational crops like cowpea. Under low external input (seeds and adopting agronomic practices, proper seed rate, line planting proper weeding, timely planting) 29,653 farmers adopted the low input package with different partners - representing 100% of those trained.

The upland demonstration program with the different collaborators is indicated in Exhibit XXXII.

Exhibit XXXII: Upland Rice Demonstration Outreach: 2004B and 2005A Seasons

Partners	Season	Number of demonstrations	Size of demo (Acres)	Seed multiplication demos (acres)
NYATI MILLERS	2004B	80	½	
POs Bugiri	2004B	30	½	
PO s Kamuli	2004B	30	½	
PO s Iganga	2004B	30	½	
POs Mubende	2004B	30	½	
POs Kiboga	2004B	45	½	
Office of V.President(24 districts)	2004B	195	1	110
Total 2004B Season		440		110
TILDA/NAADS KUMI	2005A	249	½	90
TILDA/NAADS Bugiri	2005A	245	½	150
Tilda/NAADS/Kumi extra support	2005A	80	1	
Savannah /SAF support	2005A	105	1	55
Office of V.President(24 districts)	2005A	920	1	
A2N/UNDP	2005A	280		
SOMED (Masindi &Hoima)	2005A	40	1	
Sunrise/SAF support	2005A	126	1	41
Total 2005A Season		2,045		446
Average Adopters per site		15		
Seed Multiplied, kg				490,600
Seed sold to the formal Sector, kg				95,000
Seed sold Farmer-to-Farmer, kg				107,040
Seed sold to grain sector, kg				288,560
Farmers Trained		29,653		

Apart from the 2004B season late drought that affected crop yields throughout the country, one of the major challenges has been the incorporation of the private entrepreneurs to support the demonstration programs. Tilda (U) Ltd is now fully engaged in Bugiri in collaboration with NAADS and both SAF partners, Sunrise and Savannah have gained valuable experience in farmer outreach. Savannah had intended to engage “at a distance” but has followed through this season with a dedicated field supervisor in Masindi District.

A core activity this past year has been, in addition to popularization of the NERICA varieties, the multiplication of seed particularly for farmer-to-farmer distribution. This activity has catalyzed seed for an additional 6,700 acres of upland rice production either through the formal sector or through the informal farmer to farmer system. This was particularly noticeable in Kumi district under the NAADS partnership where over 3,000 acres have been registered for production despite this being only the second season of exposure to the new technologies.

Benchmark 6.7:	At least 12,000 sesame farmers exposed to improved production techniques through 600 sesame demonstration sites by 9/30/2005 ~15,271 sesame farmers exposed through 800 demonstration sites in 2005B season (128% accomplished)
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During 2004B season, a total of 800 demonstration sites were established in 8 districts, mainly in northern Uganda. The demonstration sites were established in collaboration with three enterprise partners. Roka Ale Trading Co. Ltd established 450 sites in Nebbi, Arua, Yumbe and Moyo districts. Outspan Enterprises Co. Ltd established 150 sites Lira, Apac

and Kaberamaido for organic products only and Mukwano Industries established 200 sites in Lira, Apac and Masindi. The sesame technology package consisted of 3 kg of seed and sisal string. The approach included appropriate agronomic practices without any additional inputs. Yields obtained in sesame demonstrations "Sesim II" were about 370 kg/acre compared to 150-180 kg/acre for the old variety. Due to a failed effort to assemble the industry around a national association, there was no active sesame partnership during the 2005A season.

In 2005B season, 270 demonstration sites have been established in collaboration with three partners. Outspan Enterprises Company and Shares! (U) Ltd in Lira, Apac and Kaberamaido districts for organic products; and CARE Uganda in Arua and Nebbi districts. A total of 2,946 farmers have been exposed to improved production technologies such as timely and proper land preparation, timely planting, proper spacing and weed and pest control during 2005B season. This brings the number of farmers exposed to improved practice this year to 15,171 farmers as shown in Exhibit XXXIII.

Exhibit XXXIII: Sesame Demonstration Outreach

Company	District(s)	2004B	2005B
Outspan Enterprises Co.	Lira / Apac / Kaberamaido	5,993	1,045
Shares! (U) Ltd	Lira / Apac	-	1,132
Roka Ale Trading Co.	Nebbi / Arua / Moyo / Yumbe	3,043	
CARE International	Arua / Nebbi	-	769
A.K. Oils & Fats (U) Ltd	Lira / Apac	3,289	
Total		12,325	2,946
Annual Total			15,271

Benchmark 6.8: At least 3,000 maize farmers exposed to improved production techniques through 100 maize demonstration sites by 9/30/2005
~4,890 maize farmers exposed through 291 demonstration sites (163% accomplished)

During the reporting period, APEP TA continued to work with maize commercial farmers identified in 2004A season. Although no new demonstration sites were established in 2004B and 2005A seasons, commercial farmers in the main maize growing areas of Kapchorwa, Mubende, Bugiri, Iganga, Kamuli and Kiboga received technical training in crop husbandry and post-harvest handling, as well as linkages to input suppliers and financial service providers. Nearly 4,900 commercial farmers received technical training and exposure to improved production technologies through the use of commercial adopter fields.

Uganda Breweries Limited (UBL) was engaged in a partnership with APEP through the SAF program in the production of barley in Kapchorwa. A total of 32 demonstration sites were established in collaboration with UBL during 2005A season. Each demonstration site was one acre with a high external input package. The package had proper agronomic practices with additional inputs such as DAP and Urea fertilizers. Two varieties of seed were planted, namely Karne (40kg/acre) and Sabini (34kg/acre). Application rates of 50 kg of DAP and 20 kg of Urea fertilizer/acre were used. Yields from the demonstrations averaged 1,750 kg/acre and were significantly higher than the output from farmers' fields of 800 kg/acre.

UBL produced a short video on its approach and experiences in working with KACOFA. This was presented at the G-8 summit in Gleneagle as a forward looking approach to tackling the integration of smallholders with mainstream agribusiness.

<p>Benchmark 6.9: At least 12,000 vanilla growers exposed to improved production techniques through 60 demonstration sites 9/30/2005 ~9,756 vanilla farmers exposed through 60 demonstration sites (82% accomplished)</p>

APEP TA together with VANEX visited over 20 vanilla growing districts to ascertain the conditions of the existing demonstration gardens, as well as to identify new ones. Over 80 vanilla farmers were visited, from which the 60 demonstration plots were selected.

A training of trainers course for VANEX coordinators and extension workers was held by APEP, together with VANEX, in January 2005. Over 70 participants attended the course including NAADS with 12 of their service providers. One of the relevant outputs of this event was the production of a *Vanilla Training Guide for Training of Trainers (TOT)*. This publication, which emphasizes agronomy, harvesting, post-harvest handling and processing of vanilla can be used by any vanilla trainer to provide information to the farmers. The training also included an HIV/AIDS component with the USAID-funded Business PART project.

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. Regular training events focused on improved field management practices such as shade management, mulching, proper looping, pollination, harvesting and quality control. Although 9,756 farmers were exposed to improved practices through the demonstration sites and extension workers efforts, the adoption rate for farmers using improved practices is still lower than 10%. This has been attributed mainly to very low prices of green vanilla beans, discouraging farmers from giving full attention to their gardens.

<p>Benchmark 6.10: 1 new banana farming practice disseminated by 9/30/2005 ~1 new banana practices disseminated through 200 demonstration sites (100% accomplished)</p>

Banana Bacterial Wilt (BBW) caused by *Xanthomonas campestris pv. Musacearum* is a new disease which has been observed in Uganda (first reported in September 2001) in nearly all cultivated banana varieties causing wilting of plants at all ages. BBW is a serious threat to both household and national food security. APEP is part of a working group set up by MAAIF and has been mandated to concentrate on the provision of information, training and improved awareness about the disease. The working group has secured donor funding to implement some of the activities. The Agriculture Sector Program Support (ASPS II, DANIDA funding), the Environmental Conservation Trust (ECOTRUST, USAID funding) of Uganda, the National Agricultural Advisory Services (NAADS) and the National Agricultural Research Organization (NARO) are the main players within the working group.

Phase I of the awareness raising and training campaign targeted farmers but also traders, rural dwellers, agricultural officers, and a broad range of district leaders and the general public. The awareness campaign had the following outcomes:

- Distribution of 39,000 posters (one poster on “How to Recognize the Disease” and one poster on “Disease Spread and Control”)
- Distribution of 67,000 brochures
- Airing of radio spot messages on 12 radio stations
- Distribution of newspaper inserts via New Vision, Orumuri, Rupiny, Bukede and Etop

- Doing “going public” exercises at local markets to raise awareness
- Training of 270 trainers to cope with BBW
- Undertaking seminars and workshops at national, district and grass root levels.

All communication material was publicized in six languages (English, Luganda, Ateso, Luo, Runyoro/Rutoro, and Runyankole/Rukiga).

Phase II of the awareness and training campaign is funded by ASPS II and ECOTRUST while APEP is providing technical support and in-kind contribution through logistics at farmers’ level. An additional 50,000 posters have been distributed in English and 9 national languages (*Luganda, Runyankole, Luo, Ateso, Runyoro, Lumasaba, Kupsabin, Lugbara, Lufumbira*). This second generation of posters combined the two main messages of the previous posters into a single (“two in one”) poster. Another 40,000 brochures have been distributed and new radio spots were produced and aired through 18 different FM radio programs.

APEP participated in the Banana Xanthomonas Wilt (BXW) regional Preparedness and Strategy Development Workshop organized by the International Network for the Improvement of Banana and Plantain (INIBAP) in February 2005. APEP is now in constant touch with INIBAP (the regional banana program) to observe and transpose or adapt their field trial results into APEP’s demonstration sites. APEP hosted the working group meetings and participated in the concept of a cartoon type handout for farmers. The message focuses removal of male bud and was proposed by Dr. Simon Eden Green from EGC.

Assistance, through the BBW working group, was also given by APEP to prepare regional training workshops supervised by MAAIF, NAADS and ASPS-PCU. The activity trained 146 people under farmers’ organizations in April 2005 and 4 trainers from each of the 44 Districts that are the major banana producers or affected by the BBW in June 2005.

<p>Benchmark 6.11:</p>	<p>At least 10,000 banana farmers exposed to improved production techniques through 200 banana demonstration sites by 9/30/2005 <i>~10,400 banana farmers exposed through 200 demonstration sites (104% accomplished)</i></p>
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APEP TA to banana growers continued through demonstration activity. A total of 35,900 banana tissue cultured planting materials were distributed to farmers in 9 districts of Masaka, Rakai, Mpigi, Wakiso, Mbale, Bushenyi, Mbarara, Mukono and Luweero. Furthermore, lead farmers received inputs such as fertilizers and mulch. APEP TA, together with agricultural extension workers at sub-county level continued providing training focusing on improved agronomic practices such as good land preparation, proper spacing, use of both organic and inorganic fertilizers, proper de-suckering, de-leafing, and weed control. Emphasis was also put on crop protection measures. The training events involved extensive BBW awareness campaigns. Over 10,000 farmers were reached through 200 demonstration sites and other extension services.

To be able to track yield data, one farmer under rehabilitation was selected from each sub-county and was given a weighing scale to record the weights of bunches harvested from the demo plot. Initial results have shown improvement in bunch size/bunch weight from less than 10kg per bunch to an average of 25 kg in areas like Masaka, Rakai, Mbale, Wakiso and Mpigi. The general management of the banana plantations has also improved at most of the demonstration plots.

APEP participated actively in “America Days”, organized in Mbarara District by the US Embassy. A booth was erected to disseminate information about APEP. Particular emphasis was placed on banana production (*matooke*) and the devastating Banana Bacterial Wilt (BBW) disease. Many hand outs, brochures, posters and other printed material were

distributed to the numerous visitors of this important event. The visitors, estimated at over 400, included secondary school children, farmers, civic and political leaders and the business community. As part of the field activity to expose visitors to APEP activities, a banana demonstration site was visited which allowed participants to observe best recommended practices for the production of bananas as compared to normal smallholder production practices.

Benchmark 6.12: At least 3,000 Cardamom farmers exposed to improved production techniques by 09/30/2005
~3,480 farmers exposed (134% accomplished)

With financial support from APEP through the SAF, UCIL offered training in production technologies, post-harvest and marketing components to 3,480 cardamom growers who bought planting materials from UCIL nurseries. APEP also awarded SAF funding to the Rwenzori Vanilla Project Development Association (RVPDA) to implement a formal training program for cardamom in Bundibugyo. An additional 560 farmers were trained in improved production of cardamom during the reporting period. Through this program, APEP developed a "Growing Cardamom in Uganda: Training Guide for Farmers" in collaboration with UCIL and RVPDA. The publication is a coloured manual with pictograms to illustrate basic agricultural practices. It has been translated into local language for the training program in Bundibugyo.

Benchmark 6.13: Refined fertilizer recommendations developed for at least 3 key APEP commodities by 9/30/2005
~No fertilizer recommendations developed. (0% accomplished, still in the draft form).

The fertilizer recommendations have been drafted for four key food and cash crops: banana, maize, coffee, and cotton. Banana was added because it is closely associated with coffee in the same farming systems and because it is by far the most important food crop in Uganda, and a heavy soil nutrient extractor. However, the recommendations are still in draft form and have yet to be discussed and endorsed by all stakeholders, which is the next step. This activity has taken longer than anticipated because of the difficulty of getting relevant data from various sources, and the need to be thorough so that sound recommendations can be arrived at.

Benchmark 6.14: At least 40,000 farmers adopting APEP demonstrated improved technologies and practices by 9/30/2005
~105,239 farmers adopting improved practices (263% accomplished)

Adoption of APEP partnership technologies is basically either low or high input adoption (except for vanilla and sesame where no high input option is promoted). Low input adoptions involve the uptake of improved seed utilization (as this is considered a basis for any technology improvement regardless of technology characterization), basic agronomic practice (plant population including thinning, establishment timing, moisture conservation practice, integrated pest management practice, improved pesticide application techniques and post harvest handling). High input adoptions build on the low input package, and specifically target the use of fertilizers, weed control products, or improved pesticide use.

Exhibit XXXIV 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 exceeds 105,230 (representing 51% adoption rate across all APEP commodities) while those who have adopted improved high input practices hardly reaches 4,300 (2% across all the APEP commodity portfolios). These figures are derived from field day attendance (exposure) and sentinel sites (adoption by technology).

Exhibit XXXIV: Farmers Adopting APEP Promoted Technologies

Crop/Enterprise	Number of farmers exposed	Adoption of high input technology	Adoption of low input technology
Cotton	112,000	2,240	61,600
Upland rice	29,653	890	17,792
Sunflower	28,790	0	9,000
Maize	2,990	748	2,243
Sesame	5,000	0	1,000
Coffee	20,154	403	4,031
Banana	10,050	0	3,721
Vanilla	9,756	0	5,854
Total adoption by category	204,603	4,280	105,239
Percentage adoption		2%	51%

Benchmark 6.15: At least 200 acres mother gardens of cassava and sweet potato planted and maintained in Northern Uganda by 9/30/2005
~200 acres planted (100% accomplished)

With incremental funding from USAID, APEP embarked on a program of preparing quality food security crops planting materials in preparation for peace returning to Northern Uganda. A total of 12 tons certified sorghum seed and 8 tons of certified finger millet seed were procured from reputable seed companies, fumigated and stored. The land at Loro Prison was cleared of termite mounds and fully prepared using a contract operator. Sourcing and planting of both Cassava and Sweet potatoes continued through April and May 2005, and despite the dry season start, 100 acres of each commodity were planted.

Sweet potato vines became available around August 2005. Since peace had not returned to Northern Uganda to embark on a distribution program, efforts were made to identify donors/NGOs that could either procure or cover transport costs for distribution. None were in an immediate position. USAID provided additional funding for APEP to harvest, bag and transport the vines to various NGOs. FAO facilitated coordination of orders and deliveries. Deliveries (Exhibit XXXV and XXXVI) began in mid September 2005. The following graphic highlights deliveries to the end of September 2005. Follow-up reports have indicated 85-90% recovery of viable vines over all the consignments delivered to date. Cassava growth was excellent and it is anticipated that planting material will be ready for harvest by March/April 2006.

Exhibit XXXV: Sweet Potato Vines Deliveries

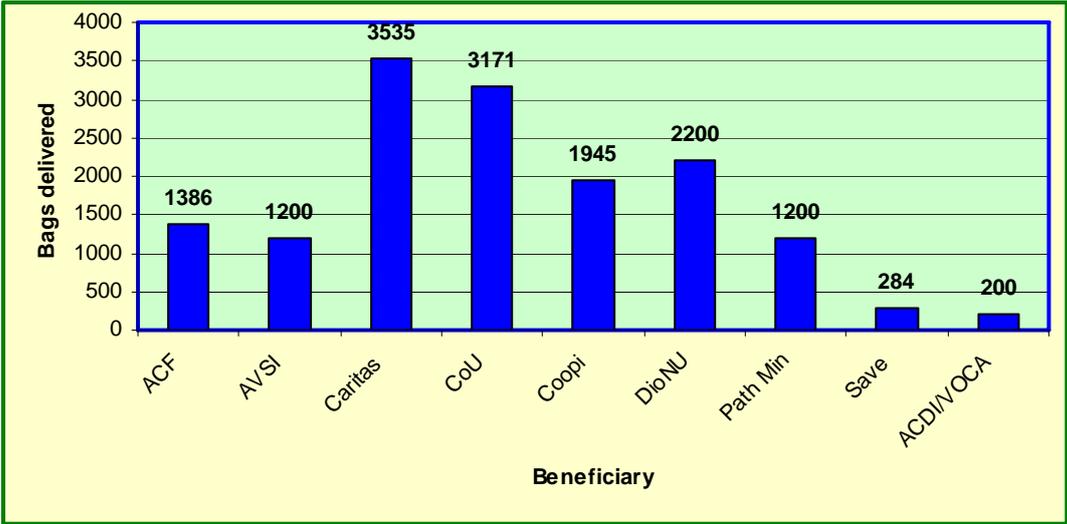
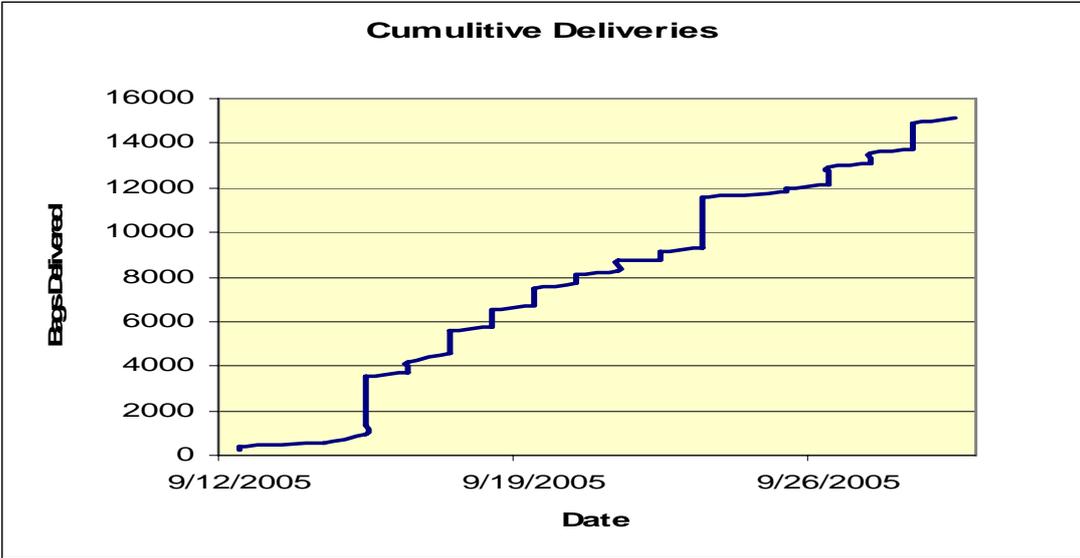


Exhibit XXXVI: Cumulative Deliveries of Sweet Potato Vines



Sweet potato vines packed in the field, ready for delivery

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. Policy and regulatory change is beyond APEP's manageable control; however APEP has support efforts through and to partners by providing expert opinion, guidance, and profile. Policy interventions take enormous time and effort to resolve. APEP has overall taken great care not to become totally engaged in any of the processes, and has mainly leveraged the industry and public sector (donor and GOU) in order to address the issues.

Benchmark 7.1: At least 3 new key policy constraints addressed by 9/30/2005
 ~3 new policy constraints addressed (100% accomplished, continuous process)

Exhibit XXXVII highlights the key policy issues established by the project at inception, and forms the basis for TA activity in this output area.

Exhibit XXXVII: List of Key Policy Constraints

Constraint	Consequence
1. OECD and ISTA accreditation for Uganda Seed Sector not in place with insufficient backing	<ul style="list-style-type: none"> Seed processors and exporters
2. Biotechnology and Biosafety policy and regulations not in place with the GOU not expediently moving these reforms through Parliament	<ul style="list-style-type: none"> Agricultural, health, environment and industrial development.
3. Warehouse receipts bill not ratified	<ul style="list-style-type: none"> Financing of agricultural commodities
4. Pesticide quality and regulation enforcement	<ul style="list-style-type: none"> Primarily for the cotton sector but a significant issue for all users of agricultural chemicals
5. Regulatory framework for bio-pesticides	<ul style="list-style-type: none"> Flowers sector, and meeting EUREPGAP requirements

In addition to these already identified policy areas, the following additional policy issues have been identified over the reporting period.

Constraint	Consequence
1. Lack of transparency in the pesticide market especially in regard to cotton.	Limited competition and potentially higher prices to the farmer
2. Company oriented Export Processing Zones (EPZs)	Duty drawback is cumbersome, except where facilities are under bond. Important to flowers sector.

OECD and ISTA accreditation is being addressed in partnership with ASPS II and both levels of seed industry certification are likely to be concluded by the end of 2005. OECD accreditation has been granted and formal approval certificates were received in April 2005. A total of 22 lines have been registered in the Uganda OECD catalogue, with all labels and inspection certificates having been approved by the international body.

The warehouse receipts bill has yet to be ratified but has been approved by Cabinet and has had its first reading on the floor of the House. The financial institutions are waiting for this bill to be passed to gain the needed comfort before engaging in WRS lending. In order to support the banks in this policy area, APEP TA has developed, in conjunction with Rural SPEED and ASPS II, a working outline to provide the necessary training to banks prior to

their active participation in the WRS lending activity. This is required prior to the DCA facility guarantee support to collateral (through WRS) management lending. All the major banks (and all the grain DCA participants) have supported this activity.

The EPZ Bill is still pending. It particularly impacts the flowers producers and exporters. It may now be incorporated under the revised Investment Code. UFEA, SCOPE and APEP are lobbying for company oriented EPZs, in addition to EPZ status for existing enterprises.

Benchmark 7.2: OECD accreditation in the seed industry confirmed by 9/30/2005
 ~*OECD accreditation not yet confirmed (0% accomplished. Accreditation should be confirmed by December 2005)*

The accreditation to OECD and ISTA falls within the realm of public control, and so MAAIF and the National Seed Certification Services (NSCS) are taking a lead on this. The success of any interventions by APEP and partner organizations depends on MAAIF. ASPS II is committed to supporting the requirements for accreditation. The following required steps in the OECD accreditation process have been achieved so far:

1. A total of 22 seed varieties with export potential have been entered onto the OECD list for international trade;
2. OECD labels for seed destined for export and an OECD Certificate for Uganda have been designed and sent to the OECD Secretariat for verification/approval;
3. OECD schemes for field varietal certification of relevant crops are being developed by the NSCS;
4. Queries so far raised have been responded to; so now MAAIF is waiting for a response from the OECD Secretariat.

Benchmark 7.3: ISTA accreditation in the seed industry confirmed by 9/30/2005
 ~*ISTA accreditation not yet confirmed (0% accomplished. Progress has been made and accreditation should be confirmed by December 2005)*

This activity falls in the same realm as the previous one. So far the following required steps have been, or are being, taken as part of the process for ISTA accreditation:

1. Renovations of the national laboratory at Kawanda have been completed. This is to be followed by installation of the equipment that has been lying in the Ministry stores for years;
2. MAAIF is sending one scientist to Denmark for a one-and-half month's course on *Quality Management Systems for ISTA accredited Laboratories*. On return, this scientist is expected to take a lead in developing the required quality management systems.

Benchmark 7.4: Cotton pesticide quality monitoring mechanism developed by 9/30/2005
 ~*Cotton pesticide quality monitoring mechanism developed (100% accomplished)*

As highlighted under Benchmark 7.1, the pesticide quality policy issue is gaining support from both the customers (ginners) and the suppliers (represented by Crop Life). The issue of quality control protocol has been addressed and accepted by both parties. Provided there is

an opening in the cotton pesticide market, Crop Life in partnership with UGCEA will implement independent testing (in addition to any GOU regulated testing) through an accredited laboratory. The final protocol and testing database has been developed by Crop Life and accepted in principle by the cotton industry.

Attention to transparency in the cotton pesticide market has had remarkable affect this year. All ginneries independently bought off on the master “list” established by the Agro Chemicals Board. This has stimulated two things – one: quality service as ginneries are demanding field technical support from the pesticide suppliers, and two: improved chemical quality as only those reputable suppliers are able and willing to provide the necessary stocks and field support. Attention to the requirement for a quality inspection program was accepted by the trade and the industry but has not been utilized. As a result, pesticide quality has been very high and there have been no field reports of dissatisfaction about the efficacy of any product. Significant progress has been made in assisting UGCEA in refocusing its pesticide procurement process. This has been made in conjunction with the Crop Life Association of Uganda. A meeting held on March 25, 2005 opened active communication between these two agribusiness associations in an attempt to bring about open, effective and quality conscious pesticide delivery services to cotton growers throughout the country. The challenge to which Crop Life (the Uganda pesticide association) responded was to be fully engaged in the pesticide promotion, sale and field support by 2007 when it is expected that all pesticide subsidies will have been removed.

Benchmark 7.5: Impact assessment of BIDCO agreement on conventional oilseeds conducted by 9/30/2005
~Draft TOR completed (Nearly 0% accomplished)

This particular activity was planned as the outcome of a meeting between the then Hon. Minister of MAAIF, Dr. Kisamba Mugerwa and the donors. There had been claims by the conventional oilseeds industry that the BIDCO palm oil/oil palm project could have a negative impact on the sub-sector, and all the smallholders involved in it. The Hon. Minister requested donor support in preparing an objective impact assessment. Since conventional oilseeds and cottonseed by-product are part of APEP’s portfolio, we were prepared to take a lead in sponsoring the study together with MAAIF personnel, IFPRI and MU.

A draft study terms of reference was prepared with various stakeholder input for submission to the Hon. Minister. The Hon. Minister resigned from his post to take up a new appointment with IFPRI/ISNAR in Addis Ababa. There have been no further developments with the study, since the momentum from MAAIF has subsided. Bidco has proceeded with planting palm oil seedlings in Kalangala, and has been granted additional land from de-gazetted forest reserves. Its oil refinery in Jinja is in operation, utilizing imported vegetable oils as feedstock.

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. APEP has continued to assist the GOU agencies and institutions to provide 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 APEP or by partners and SAF awardees.

<p>Benchmark 8.1: 50 MUFA internships placed with private firms and public sector institutions by 9/30/2005 ~50 MUFA internships placed (100% accomplished)</p>
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During the reporting period, 50 students were successfully placed in different enterprises, supervised by APEP and company staff together with university supervisors. Based on lessons learnt from the previous year, both placement and supervision were more streamlined and evaluation reports from the different companies so far indicate that the students were more responsive than in the previous year. Ahead of placing the students, an evaluation exercise was conducted by MUFA to assess the usefulness of the exercise. Information was obtained through personal contact, e-mails and telephone calls of participants in the exercise. The guiding questions were: (i) Was the exercise beneficial to both the students and the corporate? (ii) What were the main challenges and how do we overcome these in subsequent programs? The results were presented and discussed in a half day workshop attended by APEP, representatives of host companies and lecturers from different MUFA departments.

Examples of frequent comments by students and university supervisors on benefits of the program are cited below:

1. Students reported that the internship was very useful as it provided unique practical experiences.
2. Host firms were very supportive in terms of student supervision and in many cases, provided logistical support to students that were not prior anticipated. For instance, four cotton companies, one flower firm and one seed company provided supplemental support for student upkeep.
3. Some of the firms plan to employ the students they hosted. Three firms, Victoria Seeds, Fiduga (U) Ltd and Kapchorwa Commercial Farmers Association (KACOFA) have continued to engage the students on a part-time basis.

These are clear indicators that the program was beneficial to both the university and the host firms. The benefits of the program have become more apparent this reporting period as 10 students have been either retained or been employed by other companies on the basis their internship experience. The A. k. Oils and Fats sunflower project for example, has employed five of these students to serve as Cluster Managers.

<p>Benchmark 8.2: IEHA Formal Education Plan developed by 2/28/2005 ~IEHA Formal Education Plan developed with MUFA (50% accomplished, expect agreement executed by December 2005)</p>

During the year, evaluation of the needs for formal education was finalized. Meetings were held between MUFA and APEP. An agreement has been drafted incorporating the various training elements and associated budget. There remain outstanding contractual issues on how to actually engage MUFA under the institutional contract. This is expected to be finalized by December 31, 2005.

<p>Benchmark 8.3: Expanded training program implemented at the Busitema Cotton Training Centre by 9/30/2005 ~92 ginnery staff trained including 62 as trainers in IPM (100% accomplished)</p>
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Using the same training plan based on APEP-Ginner partnership, the APEP cotton team conducted two training sessions in October 2004 and in February 2005 at the Busitema Cotton Training Centre. A total of 92 trainees including staff of various ginneries, Field Staff of the Cotton Development Organization and Site Coordinators benefited from the training.

To further expand and institutionalize the training centre, APEP engaged STTA in December 2004 to undertake a feasibility study to determine the cotton training needs and also develop plans to fulfill these needs. The consultant's report was produced in February 2005 and circulated to all relevant stakeholders. The business plan developed examined the cost of establishing the training centre in terms of capital investment and operating costs projected over a period of 2 years and presented the industry and donor support requirements.

Impact of the IPM Training

IPM training at Busitema focuses among others on the judicious use of pesticides in conjunction with other techniques. The centre provides a central point for rapid dissemination of practical information on cotton production. A total of 92 trainees received IPM training in two sessions during the reporting period.

Commenting on the impact of the training on productivity enhancement in October 2004, Fred Braadnak of North Bukedi Cotton Company said; "there is no better return to investment than we obtained from training". This seems to be the general perception among ginneries judging from their response to a presentation made by the STTA about institutionalizing the training centre.

In January 2005, the irrigation line installed by APEP at the centre was repaired and a 5-acre block of cotton planted for pre-season training. Apart from increased trainee numbers, the IPM training curriculum has been expanded to include practical training in Conservation Tillage (CT). In the February 2005 training session, 62 participants (ginneries field staff from all cotton zones) underwent practical training in CT at the centre and are currently setting CT demonstrations in their respective zones. In this expanded training program, the CDO, Lango Cooperative Union and Bo Weevil requested APEP to provide similar training to managers and field staff and farmers from the organic cotton zones in the month of April 2005. This training culminated in establishing organic cotton demonstration plots managed by the trainees.

Benchmark 8.4: Candidates for overseas short courses, sandwich courses and full time training identified and placed by 9/30/2005
~3 PhD candidates identified and placed (33% accomplished)

APEP harmonized the entire formal training program during this work plan year and 3 MUFA PhD students were accepted by US Universities for sandwich programs. One participant is already placed at Ohio State University. The other 2 participants will commence their studies in January 2006. During the period under review NARO presented 2 applications for MSc training at MUFA in cotton and banana biotechnology.

Benchmark 8.5: Full time MS and PhD candidates placed for MUFA fall semester 2005 by 9/30/2005
~One MSc candidates placed (20% accomplished)

Activities on this benchmark are linked to those in 8.2 and 8.4. APEP is supporting one MSc candidate in fisheries at MU. Placement of the other candidates is predicated on having the agreement with MUFA finalized.

Benchmark 8.6: 3 visiting professors complete attachments at MUFA by 9/30/2005
~No visiting professors attached (0% accomplished, scheduled for third work plan year)

Activities on this benchmark are linked to that in 8.2. Fielding of visiting professors is predicated on having the agreement with MUFA finalized. In the meantime, MUFA has identified several professors who are interested in the program.

Benchmark 8.7: At least 16 participants from floriculture industry complete Applied Tropical Floriculture course by 09/30/2005
~22 participants training (138% accomplished)

The eighth Applied Tropical Floriculture Course (ATFC 8) was opened in November 2004 at Wagagai. It was organized by UFEA in conjunction with Makerere University Continuing Agricultural Education Centre (CAEC). The course received technical and financial support from APEP. Two modules of ATFC were taught each month for seven months. A total of 18 participants registered as full time participants while 78 people registered for part time attendance of specific modules of their interest. Out of 18 full timers, 3 are holders of a university degree, 2 are diploma holders, 11 are holders of Uganda Certificate of Education and only 2 are primary leavers. The course covered all aspects of flower growing and marketing issues. With financial support from APEP, 22 participants visited Kenya and Holland for exposure and sharing experiences in floriculture industry. The 18 full time participants who completed the training were awarded certificates September 7, 2005.

Benchmark 8.8: At least 200,000 participants locally trained in various agricultural disciplines by 9/30/2005
~215,864 participants trained in various agricultural disciplines (108% accomplished)

Exhibit XXXVIII shows the number of participants trained in various agricultural disciplines. The numbers have been categorized under two training approaches; field days, formal and informal training. The formal training events refer to well-structured training such as the ATFC, the Busitema training, Internship program, group/association training, seminars, etc. Details of the formal/informal training events are provided in Annex E. Overall, 215,864 individuals were trained during the reporting period.

Exhibit XXXVIII: Number of Individuals Trained in Various Agricultural Disciplines

Training Category	Number Trained		
	Males	Females	Total
Field days	119,486	80,870	200,356
Formal/informal training	12,312	3,196	15,508
TOTAL	131,798	84,066	215,864

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. APEP activities in biotechnology are supported by other initiatives, including the Program for Biosafety Systems (PBS) and Agricultural Biotechnology Support Program II (ABSP II). APEP TA activities have focused on three areas of biotechnology support. These include 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.

Benchmark 9.1: Technical and financial assistance provided towards strengthening the National Biosafety Secretariat at the UNCST by 9/30/2005
~Support continued to be provided to the Secretariat (100% accomplished)

This benchmark is an ongoing process and the biosafety secretariat at UNCST has been doing a commendable job. Several biosafety training and planning workshops have been organized by the secretariat. The APEP funded Biosafety Desk Office at the UNCST has been very instrumental in organizing several national and regional Biosafety events in collaboration with PBS Uganda. The most important ones during the period under review were:

1. A meeting of the National Consultative Committee of the UNEP-GEF project that was involved in the drafting of the Biotechnology and Biosafety Policy on 14th November 2004. This meeting reviewed the comments that had been made by different ministries and departments into the draft policy and incorporated them into the draft.
2. Facilitating the development of Guidelines for Confined Field Trials (CFT) and Standard Operating Procedures (SOPs). These very important documents that will enable confined field trials to be conducted in Uganda. They are in the process of being finalized and are expected to be published soon.

APEP TA was in regular contact with the Biosafety Desk Officer at UNCST and provided support whenever needed. The Biosafety Secretariat continued to provide substantial support to PBS activities. In March 2005, a PBS-Uganda Country Advisory Committee was formed with the Executive Secretary of UNCST as the chairperson. The APEP Biotechnology Advisor and APEP funded Biosafety Desk Officer with the UNCST are members of this newly established committee.

Benchmark 9.2: Technical assistance provided to further develop the existing draft national biotechnology and biosafety policy and regulatory framework in collaboration with PBS and UNCST by 9/30/2005
~Technical assistance provided (100% accomplished)

The Ugandan Biotechnology and Biosafety policy document was reviewed and finalized by the UNCST. Soon after that it was submitted to the Ministry of Finance, Planning and Economic Development (MFPED). The support provided to this process was indirect in a way that the Acting Executive Secretary of UNCST and the Biosafety Desk Officer were exposed to the Indian Biotechnology Policy and Regulatory System through a study tour to India that was organized by APEP in November 2004. This had substantial impact in expediting the review of the policy document and submission to the line-ministry (MFPED) for onward submission to Cabinet with a Cabinet Memo.

Policy makers became pre-occupied with Constitutional Amendments, so pending legislation, including the Biotechnology policy and biosafety regulations were put on hold. There are also pending Bills on nutrition policy and food safety that are cross-cutting.

Various other Bills are also pending, including the amended Plant Protection Act, the Copyright Act and Plant Variety Protection (PVP) Act, all having implications on biotechnology and biosafety.

Benchmark 9.3: At least one biotechnology and biosafety outreach and communication module developed for policy makers and legislators in collaboration with PBS-Uganda, UNCST and other stakeholders 9/30/2005
~Development of outreach and communication module in progress (20% accomplished)

This activity was planned to be accomplished in collaboration with PBS-Uganda. Early in March 2005, Dr. Adrienne Massey, Communication and Outreach Specialist with PBS Washington visited Uganda and APEP had agreed to work together to develop a comprehensive communication and outreach strategy and modules for Uganda within 7 to 10 months. Unfortunately PBS could not get things organized in time and this activity is still pending. However the APEP Biotechnology Advisor has developed draft communication concepts for high level policy makers and as soon as PBS is ready, these materials can be quickly developed and published.

Benchmark 9.4: At least 2 participants sponsored for biosafety short course training by 9/30/2005
~4 participants sponsored (200% accomplished)

Two NBC members were sponsored to attend a five-day biosafety training workshop at Michigan State University (MSU). In addition, APEP provided international air tickets for additional two Ugandans (one from UNBS and one from Makerere University) to attend two consecutive, five-day Biosafety and Food Safety courses at MSU. This was a collaborative activity with the USDA Cochran Fellowship Program. Cochran Fellowship covered all training associated costs of the two additional Ugandans including domestic flights in the US.

Benchmark 9.5: At least 1 small scale biotech research proposal submitted to APEP for funding by 9/30/2005
~Two proposals submitted (200% accomplished)

The APEP Biotechnology Advisor made a formal request to NARO scientists to collaborate with Makerere University and develop small scale applied biotechnology research proposals.

To-date, two proposals which encompass MSc training components in cotton and banana have been received.

APEP TA also had the opportunity to review and comment on the USAID funded design document for the proposed biotech containment facility.

Benchmark 9.6: At least 1 external study tour for key Ugandan biotechnology stakeholders conducted by 9/30/2005
~1 external study tour conducted to India (100% accomplished)

An external study tour to India was conducted in November, 2004. The study tour comprised 5 members of the Uganda Parliament; the Deputy Director General of NARO; one senior Policy Maker from MFPED; one senior Journalist and Chief Editor of a newspaper "Farmers Voice"; one representative from the private biotech industry; the Biosafety Desk Officer with the UNCST; one representative from Cotton R&D NARO, and two APEP Technical Advisors in biotechnology and cotton development respectively. These 13 participants were from policy, science and technology, media, and private sector and were sponsored by APEP. Furthermore, USAID/PBS-Uganda sponsored one senior Agricultural Research Manager and one senior S&T Policy Maker to participate in this tour. The study tour, which was organized and conducted by APEP, was an absolute success. This trip triggered a follow up meeting of senior Ugandan biotechnology stakeholders. The meeting was held in May 2005 to explore opportunities with regard to biotech cotton technology transfer for Uganda. It was requested by the Cotton Development Organization (CDO) and organized by APEP. APEP invited international biotech cotton experts from Australia and USA as well as partners from Tanzania, Kenya and Zimbabwe to share their cotton experience with their Ugandan colleagues, senior policy makers and national legislators. The meeting unanimously decided that Uganda should access the biotech cotton internationally in order to enhance the cotton productivity and quality in Uganda. Therefore APEP, NARO, CDO, UNCST are following up this process and are seeking an endorsement from MAAIF to fully negotiate the technology transfer process and modalities with the potential technology providers.

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. APEP's mandate is to help in this process. APEP's role is to determine with the various commodity sectors the real research needs of each sector. These needs have to be met by linking demand for the results of such research to the respective industry. This linkage serves to stimulate continuing relations between research service providers (public and private) and the demand for results. Research activities under APEP will not be long term, generating results within 3 years at a maximum.

Benchmark 10.1: At least 2 cotton research contracts established by 9/30/2005
~No research contract established (0% accomplished, expected during the third work plan year)

APEP did work to develop technology transfer mechanisms through lead ginners and research proposals from the NARO cotton research institute at Serere were evaluated. As

all proposals bore little relationship to clear yield enhancement factors most proposals were not acceptable for funding.

<p>Benchmark 10.2: At least 1 new banana research contract established by 9/30/2005 ~No research contract established (0% accomplished, execution expected during third work plan year)</p>
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Three banana proposals were submitted; one from INIBAB on validation of on-farm BBW control options; and two from IITA. The two IITA research contracts are addressing increasing profitability of banana through improved agronomic management and enhancing banana productivity by dissemination of new matooke hybrids. The proposals have been reviewed and approved by both the APEP TA and the external review committee for SAF support. USAID contractual modalities have been challenging. Execution of these activities will take place in following work plan year.

<p>Benchmark 10.3: At least 2 banana research contracts completed by 09/30/2005 ~1 research contract completed (50% accomplished)</p>
--

APEP partially funded the International Food Policy Research Institute (IFPRI) East Africa Biotechnology Impact Assessment for Bananas through the APEP SAF. In October 2004, IFPRI held a workshop in Uganda to present and review chapters of the draft monograph that addresses various aspects of improved banana adoption. IFPRI has completed compiling the proceedings of the workshop and the final research report is available.

On-farm research with IITA is expected to develop and produce a publication on a Manual and Guidelines for improved economic and agronomic banana management for a wider distribution than only the project sites.

A summary of on-farm research with IITA include:

- IITA has a range of multiple-resistant hybrids that can be produced in areas with high pest and disease pressure.
- Another collaborative work area under discussion with IITA is the carefully monitoring of improved management practices and fertilizer use that is promoted by APEP. The impact on plant health, yield and bunch sales will also be assessed. This will allow APEP and IITA to better tailor recommendations in order to optimize the economic benefits of the different interventions while improving their likely sustainability.

<p>Benchmark 10.4: 1 coffee research contract established by 9/30/2005 ~1 research contract established (100% accomplished)</p>
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During the reporting period, adaptive research activity involved existing POs who had already obtained training in the other productivity enhancing techniques. So far, pest identification tools and a TOT guide have been prepared. The field research on coffee quality with respect to strip and selective picking practices during the harvesting period being undertaken by APEP in a partnership with Busaanyi Agro Investments Ltd is on course. The salient preliminary results indicate variation in bean sizes. Strip picking practices have smaller bean sizes, an average of 20% above Screen 17 compared to an average of 60% for the selective picking harvesting method. The erratic prolonged rainfall experienced towards the end of 2004 delayed the ripening of the cherries and consequently the start of data

collection. Another research activity to compare economic returns between coffee farming systems with and without application of inorganic fertilizers has been established on the same farm.

Benchmark 10.5: 1 on-farm research contract for lowland Arabica coffee completed by 9/30/2005
~No research contract completed (50% accomplished, results expected December 2005)

During the period under review, APEP TA partnered with CORI to assess the possibility of establishing an IPM program for lowland Arabica coffee. A preliminary survey of the pests and disease situation on coffee was carried out in Bushenyi, Masaka and Mbale. Samples of various pests were collected from farmers' fields and are now being identified and analyzed by scientists at CORI. Results will form the basis of defining key elements of the IPM menu to be piloted in the coming work plan year.

Benchmark 10.6: 2 grain research contracts established by 9/30/2005
~1 research contract established (50% accomplished)

One contract to support the development and testing of sunflower hybrids and synthetics was awarded to NARO Serere research institute. This work is focusing on the screening for release purposes both imported and local hybrid sunflower varieties as well as local synthetics. The research activity is a collaborative one involving farmers through on-farm trials and major corporate partners notably Mukwano Agro-industries. The research is ongoing, with results expected in April 2006.

Benchmark 10.7: 1 fisheries research contract completed by 12/31/2004
~SAF contract with FIRRI completed on 12/31/04 (100% accomplished)

During the reporting period, APEP's activity in partnership with the Fisheries Resources Research Institute concluded. This activity was funded through the SAF, with consistent technical assistance provided by short-term consultant Rick Gregory. The contract with FIRRI served as a bridging phase between the DFID-funded Small-Scale Fish Farming Project and an aquaculture research program that is to be funded by the GOU and the ADB Fisheries Development project.

The research program culminated with a stakeholders' workshop on December 15th at the Lweza Conference Center in Kajjansi. The workshop was well-attended by the private sector (NUVITA, Greenfields) and the public sector (MAAIF, MUK). The FIRRI-ARDC staff presented the findings from its APEP-funded research program. The following topics were covered: commercialization of aquaculture in Uganda, the policy environment for cage culture farming, the development of SOPs and CoPs, Nile tilapia seed production, fish feed development, production systems for commercialization, community attitudes of cage aquaculture, and the aquaculture potential of Nile Perch.

The APEP-FIRRI program was successful in meeting its objectives in the following areas of commercial aquaculture development: 1) improving cultured fish species through the production of sex reversed Tilapia; 2) researching new species of fish, specifically cage culture Nile Perch; 3) developing commercial fish feeds; and 4) improving the policy and planning framework for commercial aquaculture. The outcome of the activity has been positive. The capacity of ARDC staff was developed through hands-on instructional training

with Rick Gregory and through study tours to fish farms in both Zimbabwe and Kenya. Lasting infrastructure at ARDC Kajjansi was established and will remain for future research at the station. The findings and results from the research conducted and policies established during the program have been compiled and documented for distribution and dissemination, and will continue to be shared with industry leaders and partners.

<p>Benchmark 10.8: 1 new flower research contract established by 09/30/2005 ~ 1 research contracts established (0% accomplished)</p>

Pearl Flowers carried out an Environmental Impact Assessment and finalized its plans to put up a 10-ha investment in Ntungamo. The research is not underway.

<p>Benchmark 10.9: 2 flower research contracts completed by 09/30/2005 ~2 flower research contracts completed (100% accomplished)</p>
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APEP, through UFEA, contracted Real IPM Company from Kenya to initiate the development of Integrated Pest Management training and implementation for the flower sub-sector. This flower research contract was phased as follows:

- Phase 1: Preliminary Consultative Meeting
- Phase 2: Bio-prospecting for Ugandan indigenous natural enemies
- Phase 3: IPM training for participating companies
- Phase 4: IPM consultancy for participating companies
- Phase 5: Mass rearing of indigenous natural enemies in Uganda

In February 2005, the contractual obligations of UFEA and Real IPM Co., on phases 1 to 3 were completed and 40% of phase 4 had been accomplished. A completion report was written and presented in a stakeholders' workshop. The beginning of work on phase 5 is dependant upon UFEA setting up a mass rearing facility. The *Real IPM Company* trained supervisors, scouts and managers. On completion, participants were awarded certificates of completion. Sixteen (16) people attended the Field Skills course while eight (8) attended the Field Supervisor Certificate course. There has been a falling out between UFEA and Real IPM Company. UFEA is currently in discussions with another international bio-pesticide company that is conducting due diligence and a feasibility study for setting up a mass rearing facility.

APEP, through the SAF, supported Xclusive Cuttings (U) Ltd to carry out research on other flowers with the intention to identify varieties for commercial production. The imported products included mother plants for cuttings, pot plants, garden plants and fruit plants. Initial trial shipments were sent to Italy and the Netherlands for market testing and feedback. Out of this initiative, more than 6 new varieties were identified for commercial production in Uganda. Currently Xclusive Cuttings has contracted one out-grower to grow 5 varieties of Vinca species on half acre land, and future expansion of the out-grower scheme is anticipated.

In the effort to phase out methyl bromide under the Montreal Protocol, UFEA received a metham sodium application machine from UNIDO. The machine will be used by all flowers growers who intend to use metham sodium as an alternative to methyl bromide. UNIDO is also funding UFEA to carry out trials on substrate materials suitable for rose growing under hydroponics. Coordination of these activities is carried out by the UFEA research and training specialist, who is funded by APEP. The first phase ended with selection of 3 substrate materials - volcanic stones from Kasese, volcanic cinders from Kabale, and sugarcane bagasse. The second phase of the UNIDO-funded research project has been set up at Melissa and Bellflowers to evaluate the performance of roses on the selected substrate.

APEP HIV/AIDS Interventions

In December 2004, APEP forged a partnership with the USAID-funded Business Prevention of HIV/AIDS and Accelerating Access to Anti-Retroviral Treatment (PART) Project. Through this collaboration, information on HIV/AIDS is continually disseminated to APEP's private sector clients. The union of our joint USAID-funded programs includes not only leveraging financial resources to create the greatest impact, but also utilizing the technical expertise and training materials from PART and taking advantage of APEP's strong relationships with many of Uganda's agricultural leaders. The industry response has been tremendous, in both corporate willingness to integrate HIV/AIDS awareness into the workplace and in field-level farmer enthusiasm as HIV/AIDS peer educators. To date, we have achieved the following successes:

- PART personnel conducted Peer Education trainings for 68 VANEX lead vanilla farmers and 5 NAADS vanilla service providers. These VANEX peer educators have sensitized 1,600 people in HIV/AIDS prevention and treatment methods.
- The Bugiri District Vanilla Integrated Growers Association (BUDVIGA) received a \$10,000 grant from the US Embassy to support HIV/AIDS initiatives. APEP and PART helped BUDVIGA develop the concept for this program and PART continues to provide technical support. As a result of this activity, 100 HIV/AIDS orphans have received nutritional support and mosquito nets, and 150 persons living with AIDS have received mosquito nets.
- PART trained APEP's 30 Producer Organization Trainers (POTs) as HIV/AIDS Peer Educators. In turn, the POTs have sensitized 5,169 farmers and stockists in HIV/AIDS prevention and treatment methods.
- Through a partnership with APEP client, Ibero Coffee Uganda Ltd., PART conducted Peer Education trainings for 31 lead coffee farmers in Masaka and 43 lead coffee farmers in Kamuli. These coffee farmers have sensitized 8,129 in HIV/AIDS awareness, treatment, and prevention within their communities.
- PART conducted research with Ibero to determine the knowledge, attitudes, and practices regarding HIV/AIDS among Ibero employees in the workplace. Following completion of the final report, PART developed Information, Education, and Communication (IEC) materials tailored specifically to Ibero.
- APEP has worked together with PART to develop a Peer Education Training Guide, which has been translated into Luganda, Luo, and the 4Rs. The guide was printed by PART and is distributed to all participants who complete the training program. The guides are then used by the peer educators to conduct individual trainings at the village-level.
- APEP sent medical personnel from several local flower companies to the PART-funded HIV/AIDS treatment training at Mildmay International. These individuals are now qualified to administer AIDS retroviral treatment at the flower farms.
- APEP facilitated meetings between PART and Mukwano Industries, the sugar estates, UFEA and other agri-businesses to help introduce an HIV/AIDS workplace policy and peer education program.
- In total, 15,415 individuals have been reached through HIV/AIDS training and sensitization due to the combined efforts of the APEP and PART programs.

PROGRAM MANAGEMENT

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

Strategic Activities Fund Management

The Strategic Activities Fund (SAF) under APEP is 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 is provided to public sector institutions, associations, businesses, NGOs, and individuals whose proposed activities meet APEP's eligibility and evaluation criteria, as well as contribute to project results. Annex – highlights SAF client database and agreement status.

Objective 11: Implement an Effective SAF Program

- **Strategy:** By leveraging SAF resources, APEP has continued to target opportunities for strategic intervention with clients and partners. The technical team and SAF manager continued to identify activities within APEP's 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, APEP has fostered strategic alliances with private sector partners.

Benchmark 11.1: SAF activities report submitted by 10/18/2004 and 4/30/2005
 ~SAF activity report submitted on 10/17/04 and 4/30/2005 (100% accomplished)

The SAF activity reports are submitted in combination with the APEP semi-annual and annual progress reports. The SAF activity reports were submitted on 10/17/04 with the annual report, and on 4/30/2005 with the semi-annual progress report. The current SAF report is included in Annex F. This report shows all activities and programs awarded since the start of APEP implementation. The report was prepared by the SAF manager, with assistance from the SAF administrator.

Benchmark 11.2: At least \$3,000,000 of SAF committed by 9/30/2005
 ~ US\$2,156,713 of the SAF has been committed to-date (72% accomplished)

As shown in Annex F, US\$2,156,713 of the SAF has been awarded to-date. APEP has made 40 awards through the SAF, all of which followed the award process established in the SAF Operations Manual. These awards include activities in each of program's commodities.

Exhibit XXXX shows the distribution of awards per commodity. All of the SAF programs are championed by an APEP commodity specialist, who is responsible for overseeing the technical implementation of the activity. Each long-term program includes benchmarks and a comprehensive monitoring system that typically involves monthly or quarterly financial and technical reporting.

Exhibit XXXX: SAF Award Allocation by Commodity	
Commodity	Awarded (US\$)
Coffee	\$ 100,300
Cotton	\$ 984,468
Flowers	\$ 277,402
Spices	\$ 332,424
Banana	\$ 62,934
Grains	\$ 207,031
Other (fish, UNCST)	\$ 192,154
TOTAL	\$ 2,156,713

APEP has leveraged approximately US\$3,171,332 of private sector funds (shown in Annex F). In addition to the funds leveraged with private sector partners, APEP has also formed strategic alliances to leverage public sector funds from UCDA, Danida, the World Bank, the European Union, NARO, NAADS, MAAIF, and other USAID-funded projects.

Benchmark 11.3: Annual Program Statement (APS) published by 3/31/2005
 ~APS published on 1/14/05 and 1/17/05 (100% accomplished)

The SAF Annual Program Statement (APS) was slightly amended to reflect minimal changes for 2005. The revised APS was published in Uganda's nationwide newspaper, *The New Vision* on 1/14/05 and 1/17/05. The APS is also available for download from the APEP website, www.apepuganda.org. The APS provides a general overview of APEP and outlines the commodities with which the project is working. It describes the SAF and its function, gives guidance for proposal submittals, lists evaluation and selection criteria, and details other specifics as required by USAID regulations. Since the APS appeared in the newspaper, the SAF office has received over 334 concept letters in response to the solicitation.

Monitoring and Evaluation

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

Objective 12: Implement and Maintain an Effective Monitoring and Evaluation System

- **Strategy:** The M&E system is based on an impact design linking activities to desired outcomes and impacts. This design is reflected in the APEP RF presented in the first section of this progress report. The APEP M&E system has been designed 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.

APEP has used a distributed approach to M&E where all APEP team members and partners have been responsible for collecting M&E data in their technical areas. The M&E Specialist has coordinated this effort and consolidated all data collected and from time to time generated aggregate data for the M&E indicators. Close liaison has been maintained with the USAID SO7 team and Monitoring and Evaluation Management Services (MEMS).

Benchmark 12.1: M&E system updated and made consistent with SO7 requirements by 09/30/2005
 ~System updated based on discussions with USAID and MEMS (100% accomplished)

During the reporting period, the M&E Specialist held a series of discussions with USAID and MEMS aimed at streamlining indicator definitions and targets. The M&E system was accordingly updated to meet USAID M&E needs as well as ensuring the flexibility that allows other APEP TA to input data.

The M&E office, in response to USAID and other client needs, did provide updates on project activities and indicators. For instance, a supplement to the first annual progress report was prepared in January 2005, which provided project performance up to December 2004. New indicators and their targets were incorporated into the APEP PMP to address IEHA requirements. These indicators continued to be tracked on a seasonal basis.

Benchmark 12.2: M&E data entry modules completed by 12/31/2004
 ~Data entry modules completed (100% accomplished)

Within the first four months of the work plan year, the M&E Specialist, with the support of Chemonics home office, focused on completing data entry modules, which commenced during the first work plan year. These included modules on partner enterprises, producer organizations, and trainees. The modules on sentinel sites, producer organizations and site coordinators were refined to meet additional data needs (on disability) and the APEP Program Assistants were inducted and utilized during the data entry process. The modules have been useful in generating project achievements for the key indicators identified in the PMP.

Benchmark 12.3: Secondary data collected and updated by 9/30/2005
 ~Secondary data updated (100% accomplished)

The M&E Specialist, with support from APEP TA established a close working relationship with data providers within the various sub-sectors with a view to regularly updating industry-wide data. APEP now receives regular industry-wide data on cotton, coffee, flowers and vanilla. Other data sources of relevance to APEP include the Uganda Bureau of Statistics (UBOS), the Bank of Uganda (BoU), and project collaborators including ASPS II, NAADS, PMA, SCOPE, Rural SPEED and FEWSNET.

Exhibit XXXXI: APEP Sentinel Sites		
Commodity	No. of sites established	No. of districts
Cotton	60	14
Coffee	40	6
Banana	35	5
Upland rice	30	5
Sunflower	30	3
Sesame	30	6
Maize	35	6
Total Number	260	

As a way of gauging adoption rates and associated project impact at the household level, 260 sentinel sites covering the key commodities supported by APEP were established as shown in Exhibit XXXXI.

The sentinel sites are made up of a representation of APEP clients sampled from the list of collaborating farmers around a demonstration site. These sites were established in close

collaboration with APEP POTs and site coordinators. 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. The data generated from these sites have been used in objective 6.

Benchmark 12.4: One M&E field data verification study designed and completed by 09/30/2005
~One field verification study conducted on cost of production and profitability of APEP-supported commodities (100% accomplished)

As a way of ascertaining economic returns from adopting the technologies promoted by APEP, the M&E Specialist together with the Finance Specialist conducted a cost of production and profitability analysis study. The study which covered cotton, coffee, banana, upland rice, sunflower and maize compared three production practice/technologies broadly categorized as “traditional”, “low input” and “high input”. The methodology adopted for this exercise was that of focus group discussions, where producers were grouped according to crops produced. The results of the study have been used in the commodity overview section of this report and also presented under Objective 6.

The coverage by commodity is illustrated in Exhibit XXXXII. Overall, it was found out that adopting improved technologies can increase yield by up to 2 fold and net incomes can be more than doubled. The real challenge is for APEP and other partners to convince the producers to invest in agricultural productivity enhancement inputs.

Exhibit XXXXII: Spread in Cost of Production Analysis		
Commodity	No. of districts visited	No. of groups interviewed
Cotton	5	15
Coffee	4	10
Banana	3	6
Upland rice	4	12
Sunflower	3	6
Maize	4	10

Benchmark 12.5: At least 12 APEP impact stories produced by 9/30/2005
~Ten impact stories produced (83% accomplished)

During the period under review, the M&E Specialist in consultation with the APEP TA undertook a number of field assessments to ensure that APEP was making strides towards achieving its LOP goals and targets. A few early successes and lessons learned were identified. These were mainly in the areas of technology adoption, input supply, producer organization bulk marketing and depot committee formation, and enterprise-farmer linkages. Ten highlights were prepared under a combination of success stories: “before and after”; “case study”; “photo caption”; and “first person interviews” as shown in Exhibit XXXXIII. These success stories, which will be revisited over the life of project, can be found on the APEP website www.apepuganda.org

Exhibit XXXXIII: APEP Success Stories

Category of Story	Title of Story
Case Studies	<ul style="list-style-type: none"> ▪ New Hybrid Sunflower Boosts Farmers’ Incomes in Northern Uganda ▪ APEP Promotes High-Yielding Suparica2 Upland Rice Variety ▪ Agricultural Credit Now in Kiboga
First Person	<ul style="list-style-type: none"> ▪ Working Together to Solve a Common Problem in Produce Marketing ▪ Growing Cotton for Profit in Tororo District

Photo & Caption	<ul style="list-style-type: none"> ▪ Trade in Agricultural Inputs Extends into the Rural Areas ▪ APEP Conducts Cotton IPM Training at Busiitema Agricultural College ▪ Demonstrating Appropriate Coffee Drying Technique at Farm Level ▪ Rice Milling Plant Installed in Luwero Due to APEP Intervention
Before and After	<ul style="list-style-type: none"> ▪ Improved Banana Management Practices Leads to Increased Farm Harvest

Project Administration

Chemonics places great emphasis on providing effective administrative and logistical support to all field program; 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 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 APEP, except where there are specific field assignments, pre-approved by the CTO.

Objective 13: Provide Effective Contract Administration

- **Strategy:** The PMU has continued to work with the project office closely to assure contract compliance, has assisted with regular contract reporting, and continued to provide financial analysis for management.

Benchmark 13.1: Financial reports and pipeline analyses provided to USAID quarterly, by 12/15/2004, 03/15/2005, 06/15/2005 and 09/15/2005
~Four financial reports submitted (100% accomplished)

As required by APEP contract section I.1, Chemonics submitted financial reports and pipeline analyses to USAID on 12/15/2004, 03/14/2005, 06/15/2005 and 09/15/2005. The annual financial report was submitted to USAID on 10/18/2004. These reports were compiled and submitted by the HO PMU. Monthly vouchers were also submitted.

Benchmark 13.2: VAT payment and reimbursement report provided to USAID by 11/17/2004 and 04/16/2005
~ VAT report submitted in November 2004 and April 2005 (100% accomplished)

As required by APEP contract section H.14, in November 2004 and April 2005, Chemonics submitted the final VAT reports for APEP for items exceeding US\$500. The report was compiled and submitted by the HO PMU and was based upon charges incurred.

On a monthly basis, APEP has submitted VAT payment reports to USAID for items less than US\$500. To-date, APEP has not received any VAT reimbursement.

Benchmark 13.3: 1st annual project progress report submitted to USAID by 10/18/2004
 ~Report submitted on 10/18/2004 (100% accomplished)

At the request of SO7 during the development of APEP's PMP, the annual reporting period was changed from a calendar year to a FY. Since our annual reporting period was truncated, and since much of the early activity on APEP was mobilization and delivery of initial TA to clients, with only a 3 month period between the semi-annual and annual progress reports, SO7 concurred with combining these reports into 1 annual report. Preparation of 1 report allowed TAs to concentrate on service delivery to clients. This report covered the entire period from 10/31/2003 to 09/30/2004. Home Office PMU, M&E, POT and Training resources we utilized to continue tracking performance indicators.

Benchmark 13.4: Semi-annual project progress report submitted to USAID by 4/30/2005
 ~This progress report was submitted on 4/30/2005 (100% accomplished)

This semi-annual progress report covered the period 10/01/2004 through 03/31/2005. It was prepared with input from all the TAs on APEP.

Benchmark 13.5: Annual property report submitted to USAID by 10/31/2004
 ~Report was submitted in October 2004 (100% accomplished)

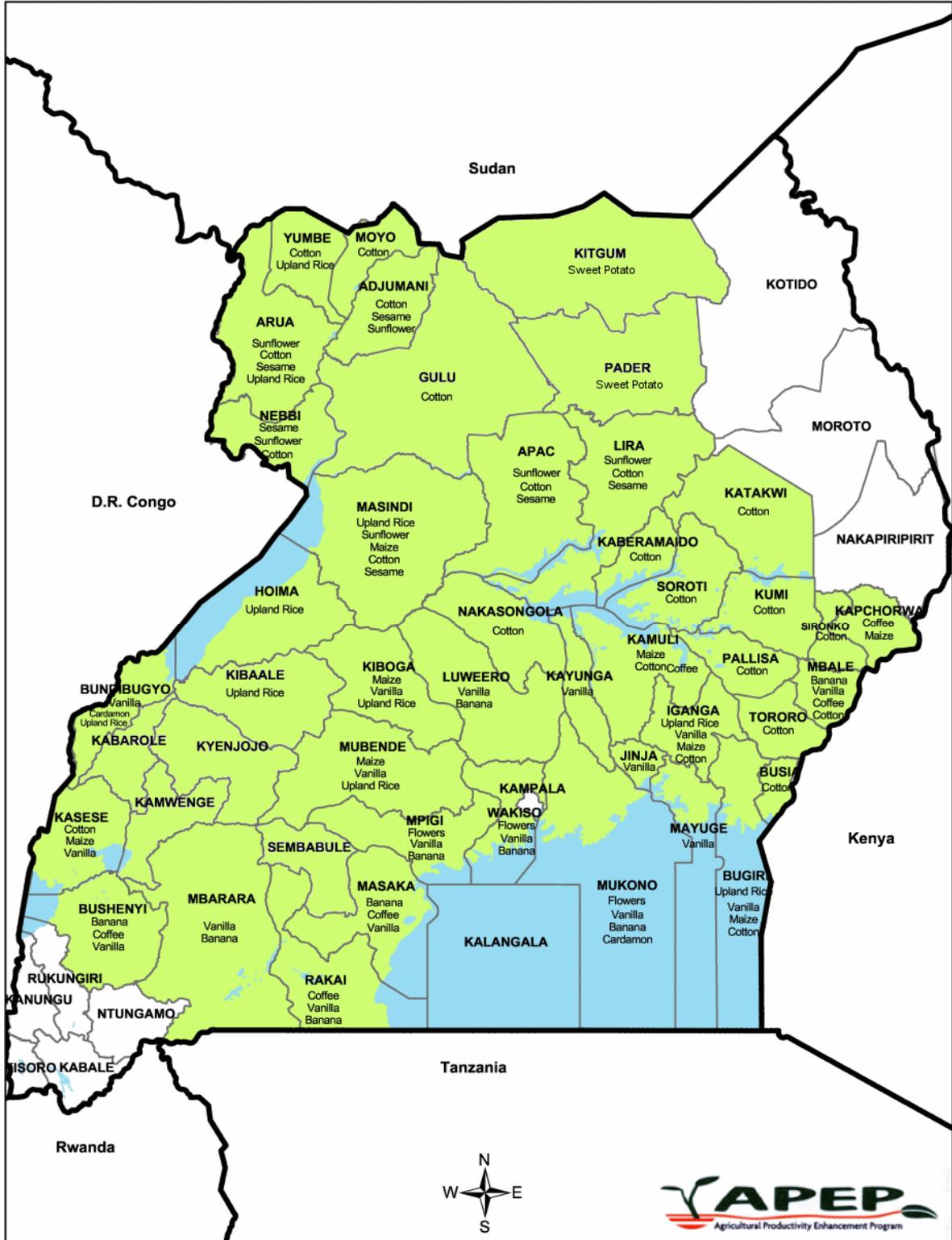
CTO and CO approval is obtained for commodity procurements in excess of US\$100,000. As each commodity exceeding US\$500 in value is procured, it is inventoried according to USAID regulations. The first annual property report was submitted to USAID in conjunction with the annual financial report on 10/31/2004. The compilation and maintenance of the inventory is done by the APEP Operations Manager. APEP project management, the project accountant and the HO PMU also contribute.

Benchmark 13.6: 3rd annual work plan for FY06 submitted to USAID by 9/30/2005
 ~Prepared in September, 2005 (100% accomplished)

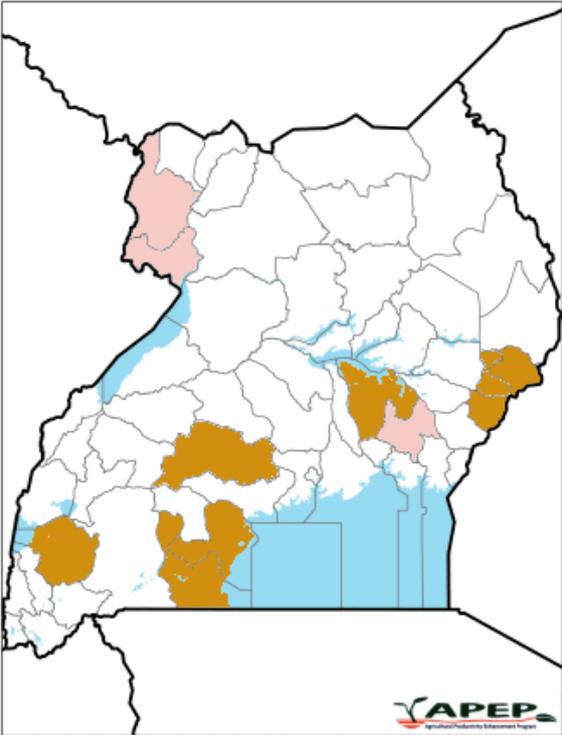
This activity was conducted, as programmed, in September, 2005. The draft was submitted to USAID for review, and the questions/clarifications are being addressed.

ANNEX A

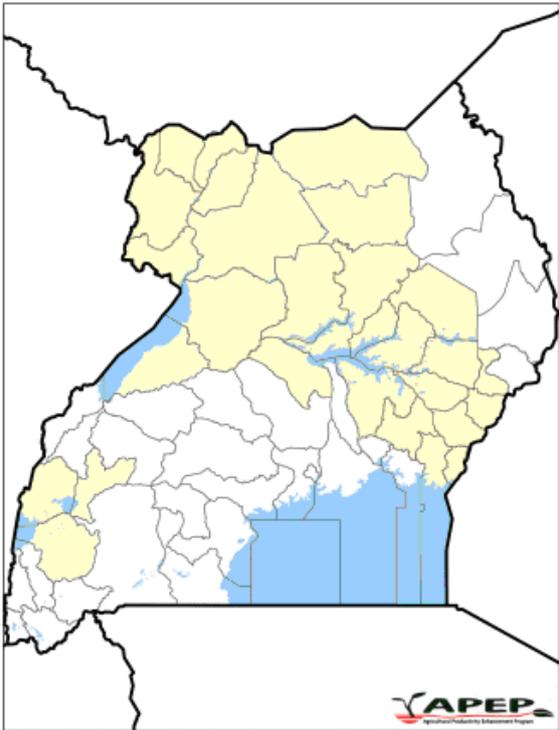
APEP Commodity Intervention Areas



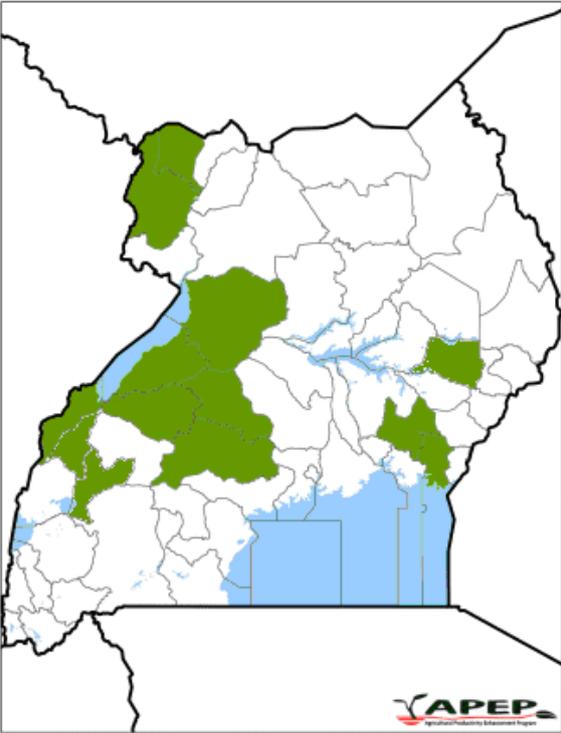
APEP Coffee Intervention Areas



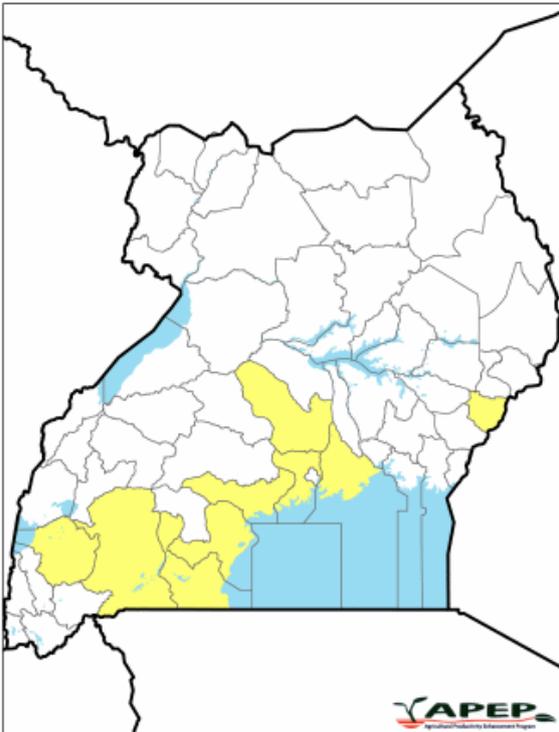
APEP Cotton Intervention Areas



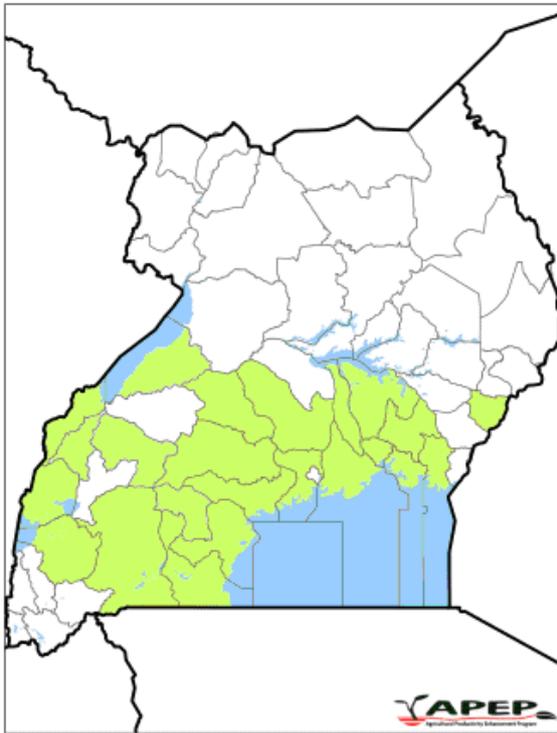
APEP Upland Rice Intervention Areas



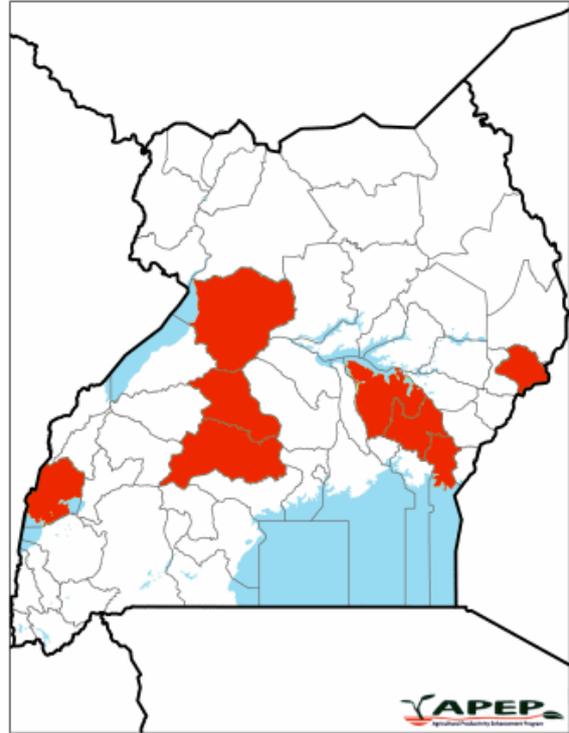
APEP Banana Intervention Areas



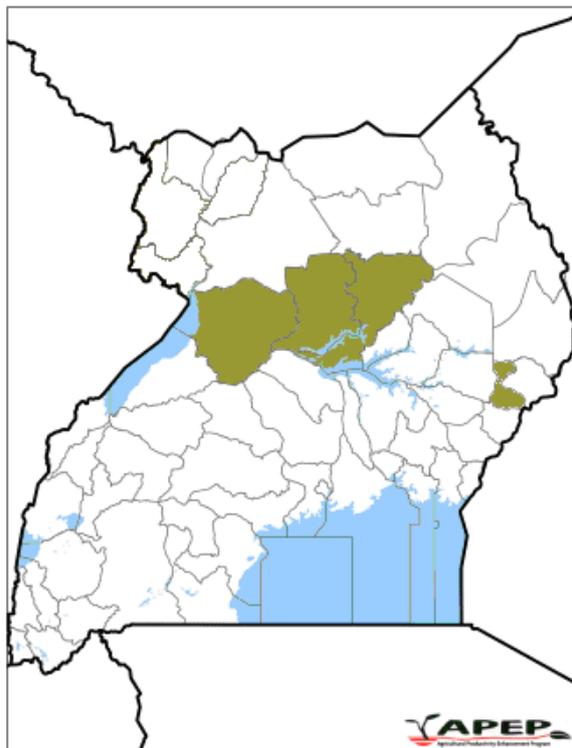
APEP Vanilla Intervention Areas



APEP Maize Intervention Areas



APEP Sesame and Sunflower Intervention Areas



ANNEX B**APEP PMP Indicator Progress**

Indicator	Unit of measure	Baseline Value	LOP target	2003/04	2004/05	2004/5 as % of LOP Target
Average h/h income of APEP-supported producers (from APEP-supported commodities)	US\$ p.a	185.45	260	197.43	224.57	
% change(over benchmark) in h/h income of APEP-supported producers	%	0	40%	6%	21%	53%
# of h/h supported by APEP	No	0	250,000	165,000	204,603	82%
# oh h/h with disability supported by APEP	No	0	5,000	0	1,358	27%
# of on- & off-farm jobs created	No	0	80,000	13,347	30,219	38%
# of on- & off-farm enterprises created	No	0	600	311	495	83%
Total production of APEP-supported crops	mt					
- coffee	mt	160,000	200,000	151,383	150,113	75%
- cotton	mt	29,250	64,750	30,155	46,620	72%
- sunflower	mt	10,000	40,000	10,600	16,000	40%
- rice	mt	100,000	160,000	113,000	147,000	92%
- maize	mt	315,000	750,000	550,000	620,000	83%
- flowers	mt	4,424	7,000	6,284	6,935	99%
- banana	mt	8,000,000	11,000,000	8,200,000	8,500,000	77%
- vanilla (cured)	mt	135	185	138	81	44%
Yields of APEP-supported crops	mt/acre					
- coffee	mt/acre	0.290	0.500	0.350	0.600	120%
- cotton	mt/acre	0.200	0.600	0.460	0.525	88%
- sunflower	mt/acre	0.300	0.800	0.600	0.650	81%
- rice	mt/acre	0.350	0.800	0.720	1.200	150%
- maize	mt/acre	0.550	2.000	1.500	1.500	75%
- flowers	mt/acre	11.000	15.000	12.000	12.500	83%
- banana	mt/acre	5.850	9.000	7.260	12.000	133%
- vanilla	mt/acre	0.250	0.400	0.250	0.300	75%

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Unit cost of production of APEP-supported crops	US\$/kg					
- coffee	US\$/kg	0.270	0.180	0.245	0.206	87%
- cotton	US\$/kg	0.310	0.200	0.290	0.237	84%
- sunflower	US\$/kg	0.250	0.140	0.156	0.141	99%
- rice	US\$/kg	0.400	0.200	0.238	0.209	96%
- maize	US\$/kg	0.080	0.060	0.072	0.065	92%
- flowers	US\$/kg	n.a	n.a	n.a	n.a	n.a
- banana	US\$/kg	0.030	0.020	0.027	0.022	91%
- vanilla	US\$/kg	0.700	0.550	0.633	0.626	88%
Value of targeted commodities marketed by APEP clients	US\$	106,000,000	150,000,000	112,448,014	122,277,184	
% change in value of targeted commodities marketed by APEP clients	%	0	40%	6%	15%	38%
Volume of targeted commodities marketed by APEP clients	mt	615,000	800,000	662,972	681,411	
% change in volume of targeted commodities marketed by APEP clients	%	0	30%	8%	11%	36%
Gross revenue of off-farm enterprises supported by APEP	US\$	140,000,000	225,000,000	151,482,439	166,340,898	
% change in gross revenue of off-farm enterprises supported by APEP	%	0	60%	8%	19%	31%
No of input suppliers serving APEP clients	No	0	400	177	281	70%
No of local credit service points reaching APEP clients	No	0	30	8	23	77%
Amount of credit provided to APEP-supported clients	US\$	612000	900,000	830,867	1,404,485	
% change in amount of credit provided to APEP clients	%		45%	35%	129%	287%
No of APEP-supported firms exporting agricultural products	No	0	100	19	68	68%
No of agricultural processors supported by APEP	No	0	50	20	52	104%
Output value of APEP-supported processors	US\$	65,331,921	130,000,000	65,331,921	87,984,372	68%
% change in output value of APEP-supported processors	%		100%	0%	35%	35%
No of APEP-supported firms managing outgrower schemes	No	0	25	7	12	48%
No of farmers involved in APEP-supported outgrower schemes	No	0	125,000	12,402	29,287	23%
No of public/private partners developed by APEP	No	0	125	29	32	26%
Amount of private sector resources leveraged through partnerships	US\$	0	6,000,000	1,442,203	3,171,332	53%
No of Depot committees (DCs) strengthened*	No	0	200	30	89	45%
No of producer organizations (POs) strengthened by APEP	No	0	200	290	763	382%
Average group membership per PO	No	20	40	22	25	63%
% change in group membership of APEP-supported producer organizations	%	0	100%	10%	25%	25%

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No of APEP-supported producers using improved technologies/practices	No	0	150,000	18,215	105,239	70%
Area cultivated using improved technologies	acres	0	150,000	74,078	99,880	67%
No of key policy/institutional constraints alleviated through APEP intervention	No	0	10	0	2	20%
No of key policy constraints that have been addressed through APEP intervention	No	0	15	2	5	33%
No of individuals trained by APEP in disciplines related to private sector agriculture	No	0	365,000	168,107	215,864	59%
No of individuals completing internships with private sector firms through APEP support	No	0	200	47	97	49%
No of biotech/biosafety regulations improved and in place	No	0	3	0	1	33%
No of APEP-funded research contracts implemented by public sector bodies	No	0	25	4	6	24%

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

ANNEX C**APEP Active Client Portfolio: October 2004 – September 2005**

No.	Client	Commodity	Location/District	Type of assistance offered by APEP
1	Support Organization for Micro Enterprises Development (SOMED)	Rice	Masindi	Technical assistance/support
2	Lumino Rice Company	Rice	Pabbo - Gulu	Technical assistance/support and linking to standard loans
3	Cotton Network Farmers	Rice	Kigumba / Masindi	Technical assistance/support and testing of new Rice
4	Singh Farmers Ltd	Rice	Pakanyi / Masindi	Technical assistance
5	Africa 2000 - Network	Rice	Masaka, Rakai, Sembabule, Apac, Arua, Mubende, Kiboga, Wakiso, Nakasongola and Kaberamaido)	Technical assistance to rice farmers
6	Office of Vice President	Rice	Luwero, Rukungiri, Bundibugyo, Kyenjojo	Technical assistance/support
7	Balton Uganda	Rice chemicals	Masindi, Iganga	Technical assistance/support in testing new rice chemicals
8	NAADS	Rice	Country-wide	Technical assistance/support
9	Mukwano Agro Project	Sunflower	Lira, Apac, Masindi	Technical assistance and finance
10	Outspan Enterprises Ltd	Sesame	Lira, Kaberamaido, Apac	Technical assistance and finance
11	Roka Ale Trading Company Ltd	Sesame	Nebbi, Arua, Yumbe, Moyo	Technical assistance and finance
12	Kapchorwa Commercial Farmers Association	Maize	Kapchorwa	Training /technical assistance/support
13	Mubende Commercial Farmers Association	Maize	Mubende	Training /technical assistance/support
14	Kiboga Commercial Farmers Association	Maize, Upland rice	Kiboga	Training /technical assistance/support
15	Kamuli Commercial Farmers Association	Maize, Upland rice	Kamuli	Training /technical assistance/support
16	Bugiri Commercial Farmers Association	Maize, Upland rice	Bugiri	Training /technical assistance/support
17	Iganga Commercial Farmers Association	Maize, Upland rice	Iganga	Training /technical assistance/support
18	Nyati Rice Millers	Upland rice	Hoima	Training/support for demonstration activity
19	Cotton Development Organization	Cotton, biotech	National	Liaison on Cotton Industry, Biotech technology assistance
20	Uganda Ginners & Cotton Exporters Association (UGCEA)	Cotton	Kampala	Liaison on Cotton Industry
21	Dunavant	Cotton	Lira	Training, demonstration activity and technical assistance
22	North Bukedi Cotton Company	Cotton	Mbale / Pallisa	Training, demonstration activity and technical assistance
23	CN Cotton Ltd	Cotton	Kachumbala - Kumi	Training, demonstration activity and technical assistance
24	Novo Enterprises	Cotton	Tororo	Training, demonstration activity and technical assistance
25	Bon Holdings East Africa	Cotton	Busoga sub-region	Training, demonstration activity and technical assistance
26	South Base Agro Industries	Cotton	Tororo	Training, demonstration activity and technical assistance
27	Pramukh Agro Industries	Cotton	Busembatya - Iganga	Training, demonstration activity and technical assistance
28	Dabani Ginnery	Cotton	Busia	Training, demonstration activity and technical assistance
29	COPCOT East Africa	Cotton	West Nile sub-region	Training, demonstration activity and technical assistance
30	COTTCO (U) Ltd	Cotton	Masindi	Training, demonstration activity and technical assistance
31	Nyakatonzi Coop Union	Cotton	Kasese	Training, demonstration activity and technical assistance
32	Bushenyi Cotton Company	Cotton	Bushenyi	Training, demonstration activity and technical assistance

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33	Busitema Agricultural School of Mechanization	Cotton	Busitema - Tororo	Support with irrigation facility for cotton training
34	Centenary Rural Development Bank (CERUDEB)	Maize, Rice, Cotton, Sunflower	10 branches (Mbale, Tororo, Mityana, Kyotera, Kasese, Hoima, Lira, Kiboga, Bugiri, Kyenjojo)	Training of bank staff and linkage of farmers
35	Standard Chartered Bank (SCB)	Maize	Kampala	Technical assistance and linkage of farmers
36	UFEA	Flowers & Cuttings	Kampala	Grant, technical assistance, training and research
37	VANEX	Vanilla	Kampala	Grant, training, and extension support
38	Xclusive Cuttings	Cut/Pot Plants & Fruits	Mairye - Wakiso	Grant
39	Uganda Crop Industries	Cardamom, Vanilla	Lugazi - Mukono	Grant and technical assistance
40	UNEX (U) Ltd	Coffee	Bushenyi	Training and extension support
41	IBERO (U) Ltd	Coffee	Kamuli and Pallisa	Finance, training and extension support
42	MTL (U) Ltd	Coffee	Mbale and Sironko	Training and extension support
43	Kawacom (U) Ltd	Coffee	Bushenyi and Kapchorwa	Training and technical assistance
44	NARO	All APEP commodities, biotech	Wakiso, Soroti, Mukono, national	Finance, training, capacity building
45	MUK	All APEP commodities, biotech	Kampala	Training, capacity building
46	Twiga Chemicals	Agro chemicals, ULV pumps	Kampala	Technical assistance, marketing support
47	Victoria Seeds	All seeds	Kampala	Finance, technical assistance
48	UGTL	Maize, Barley, Rice	Kampala	Finance, technical assistance
49	Kaweri Coffee Farmers Alliance	Coffee	Mubende, Kampala	Finance, technical support
50	Ankole Coffee Processing	Coffee	Ibanda - Mbarara	Finance, training, marketing support
51	FICA Seed	All seeds	Masindi, Kasese, Kabarole, Nakasongola, Mayuge, Mubende	Technical assistance, credit guarantee
52	NASECO Seed	Field crop seeds	Kibaale, Mayuge, Pallisa	Technical assistance, credit guarantee
53	Harvest Farm Seeds	All seeds	Kampala	Technical assistance
54	Keith Associates	Pesticides	Kampala	Finance, technical assistance.
55	Rwenzori Vanilla Association	Cardamom, vanilla	Bundibigyo	Grant and technical assistance
56	CARE International	Sesame	Arua, Nebbi	Technical assistance, finance
57	Uganda Breweries Ltd	Barley	Kapchorwa, Kampala	Technical assistance, finance
58	Shares! (U) Ltd	Sesame	Lira, Apac	Technical assistance, finance
59	Olam (U) Ltd	Coffee	Rakai	Financial, technical assistance
60	Busanyi Agro Investment	Coffee	Mpigi	Financial, technical assistance
61	UNCST	Biotech	National	Biotech policy, training and finance
62	MAAIF	Biotech, All crops	National	Biotech policy, technical assistance
63	The Parliament of Uganda	Biotech	Kampala	Training, education
64	Farmers Voice Newspaper	Biotech	National	Training, communication
65	AGTL (PLC)	Biotech	Kampala	Technical assistance, linkages
66	MFPED	Biotech	Kampala	Training
67	UNBS	Biotech	Kampala	Food safety, biosafety, training
68	NBC	Biotech/Biosafety	National	Training, technical assistance

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69	Agriserve Ltd	Agro inputs	Nakasongola, Tororo, Mayuge	Credit guarantee
70	El-Shaddai	Agro inputs	Tororo, Mbale	Credit guarantee
71	Evergreen International	Agro inputs	Pallisa, Kabale,	Credit guarantee
72	Mt Elgon Seed Co	Agro inputs	Kapchorwa	Credit guarantee
73	General and Allied	Agro inputs	Mubende, Pallisa, Kabale	Credit guarantee
74	East Africa Seed	Agro inputs	Nakasongola	Credit guarantee
75	Tilda	Upland rice	Bugiri	Outgrower, technical assistance, finance
76	Savannah	Upland rice	Masindi	Outgrower, technical assistance, finance
77	Sunrise	Upland rice	Kabarole	Outgrower, technical assistance, finance

ANNEX D**PO Summary Information: October 2004 – March 2005****PO Summary Information by District**

District	No. of POs	# Members	# Female Members	# Active Members	# Disabilities	Credit Obtained	# Employees	# Female Employees	# ppl Adopting new Technologies	# of Mgt/Func Areas Improved
Apac	50	1,427	407	998	184	0	0	0	822	105
Bugiri	28	690	276	577	15	0	0	0	410	115
Bushenyi	79	1,791	643	1,747	20	0	0	0	1,527	474
Ibanda	47	911	221	700	69	0	0	0	0	0
Iganga	17	347	82	226	30	0	0	0	150	92
Kamuli	91	2,029	371	1,288	73	0	0	0	6,815	381
Kapchorwa	12	374	91	287	0	38,800,000	236	134	178	28
Kasese	54	1,119	401	932	0	0	2,240	882	755	99
Kiboga	35	790	276	761	4	0	0	0	300	74
Lira	6	233	70	204	19	0	0	0	204	14
Masaka	10	254	41	102	19	0	0	0	56	2
Masindi	40	850	173	707	34	5,275,000	0	0	550	0
Mbale	27	622	111	276	35	0	0	0	105	296
Mbarara	13	268	60	212	28	0	0	0	0	0
Mityana	8	222	66	131	10	1,440,000	0	0	78	13
Mubende	56	1,496	460	1,150	225	7,844,700	0	0	1,065	409
Nebbi	40	852	400	574	0	2,900,000	2,595	1,504	215	206
Pallisa	11	225	97	168	0	0	0	0	171	44
Rakai	53	1,253	552	1,103	50	0	0	0	32	0
Sironko	50	1,191	445	737	3	0	0	0	699	190
Tororo	36	727	347	702	0	0	0	0	702	140
Total	763	17,671	5,590	13,582	818	56,259,700	5,071	2,520	14,834	2,682

PO RESULTS BY CROP

Crop	No. of POs *	# Members	# Female Members	# Active Members	Volume	Area	Sales	Sales in USD
Banana	2	48	22	40	37,000.0 MT	0.0 ha	UGX 2,560,000	\$ 1,384
Coffee	364	8,205	2,439	6,289	6,497,123.5 MT	47,965.0 ha	UGX 1,416,614,550	\$ 765,738
Cotton	123	2,585	1,013	1,985	164,356.0 MT	5,883.0 ha	UGX 148,194,000	\$ 80,105
Groundnuts	2	40	22	30	6,500.0 MT	0.0 ha	UGX 6,000,000	\$ 3,243
Maize	168	4,078	1,361	3,190	2,918,815.7 MT	30,043.0 ha	UGX 641,208,578	\$ 346,599
Rice	8	213	69	166	284,020.0 MT	7,290.0 ha	UGX 106,600,076	\$ 57,622
Sesame	2	46	22	22	6,500.0 MT	0.0 ha	UGX 5,200,000	\$ 2,811
Sunflower	94	2,456	642	1,860	1,420,572.2 MT	5,857.0 ha	UGX 624,583,341	\$ 337,613
Total	763	17,671	5,590	13,582	11,334,887.4 MT	97,038.0 ha	UGX 2,950,960,545	\$ 1,595,114

* There are overlaps; some POs are engaging in multiple crops. Total number of POs in the database = 488

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District	No. of POs *	# Members	# Female Members	# Active Members	Volume	Area	Sales	Sales in USD
Apac	50	1,427	407	998	919,817.2 MT	4,397.0 ha	UGX 448,821,470	
Bugiri	28	690	276	577	1,431.0 MT	9,060.0 ha	UGX 11,900,207	
Bushenyi	79	1,791	643	1,747	454,078.5 MT	0.0 ha	UGX 447,287,300	
Ibanda	47	911	221	700	400,000.2 MT	0.0 ha	UGX 292,205,300	
Iganga	17	347	82	226	646,726.6 MT	442.0 ha	UGX 8,150,000	
Kamuli	91	2,029	371	1,288	1,111,664.5 MT	8,181.0 ha	UGX 345,402,050	
Kapchorwa	12	374	91	287	426.5 MT	0.0 ha	UGX 240,000,696	
Kasese	54	1,119	401	932	4,930.5 MT	0.0 ha	UGX 23,953,740	
Kiboga	35	790	276	761	2,016.1 MT	12,814.0 ha	UGX 62,407,600	
Lira	6	233	70	204	260,631.0 MT	1,042.0 ha	UGX 96,435,690	
Masaka	10	254	41	102	21,826.0 MT	18,000.0 ha	UGX 9,826,300	
Masindi	40	850	173	707	345,050.0 MT	468.0 ha	UGX 94,926,181	
Mbale	27	622	111	276	14.0 MT	3,321.0 ha	UGX 2,923,000	
Mbarara	13	268	60	212	3,242,212.3 MT	9.0 ha	UGX 174,276,100	
Mityana	8	222	66	131	366,087.0 MT	1,730.0 ha	UGX 41,477,634	
Mubende	56	1,496	460	1,150	1,279,394.0 MT	9,457.0 ha	UGX 156,065,277	
Nebbi	40	852	400	574	320,842.0 MT	0.0 ha	UGX 189,461,000	
Pallisa	11	225	97	168	0.0 MT	2,562.0 ha	UGX	-
Rakai	53	1,253	552	1,103	1,171,635.0 MT	14,105.0 ha	UGX 305,441,000	
Sironko	50	1,191	445	737	786,105.0 MT	11,450.0 ha	UGX	-
Tororo	36	727	347	702	0.0 MT	0.0 ha	UGX	-
Total	763	17,671	5,590	13,582	11,334,887.4 MT	97,038.0 ha	UGX 2,950,960,545	\$ 903,921

ANNEX E**APEP Supported Training Events****A: OCTOBER 2004 TO MARCH 2005**

Commodity	Location	Type of training	Target Audience	Total	Males	Females	Training Purposes/Focus
Barley	Kapchorwa	Field Day	Barley farmers	60	43	17	Improved production practices
Barley	Kapchorwa	Workshop	Lead farmers & commercial farmers	73	68	5	Improved Production
Barley	Kapchorwa	Workshop	Lead and commercial farmers	183	169	14	Improved production
				316	280	36	
Coffee	Mbale	Workshop	Coffee farmers	176	135	41	Productivity enhancement
Coffee	Sironko	Workshop	Arabica coffee growers	211	179	32	Increase Output
				387	314	73	
Inputs	Kiboga	Workshop	Local Stockists	19	14	5	Increase the local stockists knowledge on use and application of chemicals
Inputs	Soroti	Workshop	Seed farmers	33	24	9	Increased commercial production
				52	38	14	
Maize	Kyembogo Datic	Workshop	Maize Seed Growers	27	22	5	Improved productivity and seed crop management
Maize	Kyembogo Datic	Workshop	Maize Seed Growers	27	22	5	Improved Productivity and Seed crop management
Maize	Masindi	Workshop	Seed growers	23	20	3	Increased maize and seed production
Maize	Mubende	Field Day	commercial farmers	43	35	8	Productivity enhancement
Maize	Mubende	Field Day	Commercial farmers	43	35	8	Productivity Enhancement
Maize	Mubuku	Workshop	Maize Seed Growers	46	32	14	Promotion of Sunflower production for rotation with seed maize
Maize	Rakai	Field Day	Commercial farmers	49	44	5	Farming as a business
Maize	Rakai	Field Day	Commercial farmers	54	48	6	Farming as a business
Maize	Rakai	Field Day	Commercial farmers	54	48	6	Farming as a business
				366	306	60	
Maize, Upland Rice	Bugiri	Field Day	Commercial farmers	46	31	15	Farming as a business
Maize, Upland rice	Bugiri	Field Day	Commercial farmers	46	31	15	Farming as a business
Maize, Upland Rice	Bugiri	Field Day	Commercial farmers	42	31	11	Farming as a business
Maize, Upland Rice	Bugiri	Field Day	Commercial farmers	49	35	14	Farming as a business

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Commodity	Location	Type of training	Target Audience	Total	Males	Females	Training Purposes/Focus
Maize, upland rice	Iganga	Field Day	Commercial farmers	41	35	6	Production economics, post harvest handling and marketing
Maize, upland rice	Iganga	Field Day	Commercial farmers	41	35	6	Farming as a business
Maize, upland rice	Iganga	Field Day	Commercial farmers	50	41	9	Farming as a business
Maize, upland rice	Kamuli	Field Day	Commercial farmers	50	35	15	Farming as a business
Maize, upland rice	Kamuli	Field Day	Farmers	75	64	11	Farming as a business
Maize, upland rice	Kamuli	Field Day	commercial farmers	25	18	7	Farming as a business
Maize, upland rice	Kassanda	Field Day	Commercial farmers	55	38	17	Farming as a business
Maize, Upland Rice	Kiboga	Field Day	Commercial Farmers	59	42	17	Farming as a business
Maize, Upland Rice	Kiboga	Field Day	Commercial farmers	65	55	10	Farming as a business
Maize, Upland Rice	Kiboga	Field Day	Commercial farmers	56	33	23	Farming as a business
Maize, upland rice	Mubende	Field Day	Commercial farmers	63	55	8	Farming as a business
Maize, Upland Rice	Mubende	Field Day	Commercial farmers	63	55	8	Farming as a business
Maize, upland rice	Mubende	Field Day	Commercial farmers	51	34	17	Farming as a business
				877	668	209	
Sunflower	Lira	Workshop	Site Coordinators	57	55	2	Crop productivity enhancement
Sunflower	Lira	Seminar	District, Area & Site Coordinators	89	86	3	Improved crop productivity
Sunflower	Lira	Workshop	Site Coordinators	57	55	2	Crop productivity enhancement
				203	196	7	
Upland rice	Bugiri	Seminar	Area & Site Coordinators	46	41	5	Improved production technologies
Upland Rice	Bugiri	Seminar	Lead farmers	97	69	28	Improved production
Upland Rice	Bugiri	Workshop	Lead farmers	88	74	14	Improved production
Upland Rice	Bugiri	Field Day	Lead farmers	122	102	20	Improved production
Upland Rice	Hoima	Field Day	Commercial Farmers	52	40	12	Farming as a business
Upland Rice	Hoima	Field Day	Commercial Farmers	45	38	7	Farming as a business
Upland Rice	Hoima	Field Day	Commercial farmers	52	40	12	Farming as a business
Upland Rice	Kabarole	Field Day	Lead farmers	30	30	0	Stimulate upland rice growing for Sunrise Company
Upland Rice	Kyenjojo	Seminar	Rice farmers	20	20	0	Upland rice production
				552	454	98	
Vanilla	Bundibugyo	Seminar	Vanilla Growers	40	40	0	Conditions favourable for vanilla growing
Vanilla	Bundibugyo	Seminar	Vanilla farmers	18	2	16	Conditions favourable for vanilla growing

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Commodity	Location	Type of training	Target Audience	Total	Males	Females	Training Purposes/Focus
Vanilla	Bundibugyo	Seminar	Vanilla growers	50	40	10	Conditions favourable for vanilla growing
Vanilla	Bundibugyo	Seminar	Vanilla farmers	98	73	25	Improve production practices in vanilla
Vanilla	Kamuli	Seminar	Vanilla farmers	66	53	13	Improve production practices in vanilla
Vanilla	Kangulumira	Seminar	Vanilla growers	47	37	10	Identification of the farmers training needs on vanilla
Vanilla	Kiryandongo	Seminar	Vanilla farmers	21	16	5	Farmers strategies in the vanilla industry
Vanilla	Kisawo	Seminar	Vanilla farmers	36	22	14	To assess the training needs of the farmers
Vanilla	Kyetume	Seminar	vanilla growers	21	10	11	Conditions favourable for vanilla growing
Vanilla	Luwero	Seminar	Vanilla growers	58	40	18	Promote vanilla production and quality
Vanilla	Masaka	Workshop	Extensionists, stakeholders	7	0	7	To promote vanilla growing and maintaining quality
Vanilla	Mpigi	Seminar	Vanilla farmers	20	16	4	Improve vanilla management practices
Vanilla	Mubende	Seminar	Gayaza farmers cooperative society	15	6	9	Improve vanilla management practices
Vanilla	Mukono	Seminar	Vanilla Farmers	80	69	11	HIV/AIDS awareness campaign
Vanilla	Mukono	Seminar	Coordinators and Extension Workers	75	69	6	To promote vanilla growing and maintaining quality
				652	493	159	
TOTAL				3,405	2,749	656	

B: APRIL 2005 TO SEPTEMBER 2005

Commodity	Location	Type of training	Target Audience	Total	Males	Females	Disability	Focus
Banana	Rakai	workshop/seminar	Banana farmers	145	49	96	0	Production, IPM
Banana	Masaka	workshop	Banana farmers	81	34	44	0	production, IPM
Banana	Bulenga/kitanda	workshop/seminar	banana growers	115	58	57	0	Crop protection, production
Banana	Kakiri-Mpigi	Workshop/Seminar	Banana farmers	22	12	10	0	production, IPM
Banana	Kyalungira-Rakai, Kifumba	Workshop	Banana growers	191	111	80	0	production, IPM
Banana	Kyegonza-Mpigi	production	Banana farmers	38	24	14	0	production
Banana	Mutungo-Wakiso	workshop/seminar	Banana farmers	71	31	40	0	production
Banana	Nganda-Mpigi	workshop	banana farmers	80	39	41	0	production
Banana	Bwama-Mpigi	workshop/seminar	Banana farmers	39	16	23	0	production
Banana	Kalamba/Kibibi-Mpigi	Workshop	Banana farmers	157	44	113	0	Production
				939	418	518	0	
Barley	Cheminy, Kapchorwa district	Cheminy, Kapchorwa district	Commercial farmers	0		0	0	workshop/seminar
Barley	Kapchorwa district	workshop/seminar	Commercial farmers	46	39	7	0	Post harvest
Barley	Kapkwata,	Workshop	Commercial farmers	79	64	18	0	production

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								IPM
Coffee	Mbale - Sironko	field day	Lead farmers, demo holders and PO Leadership	153	146	7	0	Production, IPM
Coffee	Mbale/Sironko	field day	Lead farmers. Demo holders and PO's	153	146	7	0	Production
Coffee	Mbale/Sironko	workshop/seminar	Coffee Farmers	271	213	58	0	Post harvest
Coffee	Mbale-Sironko	field day	Lead farmers and demo holders	107	93	14	0	Production
Coffee	Mubende	workshop/seminar	Kaweri Coffee farmers Alliance	2,032	1,483	549	212	Production
Coffee	Rakai	field day	Coffee farmers	325	262	63	0	production
Coffee	Rakai district	Field day	Coffee farmers	131	108	23	0	Coffee productivity enhancement & IPM
Coffee	Rakai district (Kapkwata)	Field day	coffee farmers	54	50	4	0	Coffee productivity enhancement & IPM
Coffee	Bushenyi	field day	Coffee farmers	811		0	0	Production, Post harvest
Coffee	Kamuli	field day	Coffee farmers	623	549	74	0	production
				6,722	4,792	1,112	213	
Cotton	Adjumani	Workshop	Area and Site Coordinators	23	23	0	2	Pest management
Cotton	Adjumani	Workshop	Area and Site Coordinators	25	25	0	2	Production
Cotton	Alitto-Lira	Workshop	Area and Site Coordinators	28	25	3	2	Organic Production
Cotton	Amolator-Lira	workshop	Area and Site Coordinators	47	4	5	2	Organic Production
Cotton	Arua	Workshop	Area and Site coordinators	24	24	0	3	Pest Management
Cotton	Arua	Workshop	Area and Site Coordinators	24	24	0	3	Production
Cotton	Bugema - Mbale	workshop	Area and Site Coordinators	23	23	0	2	pest management
Cotton	Bugema-Mbale	Workshop	Area and Site Coordinators	26	26	0	0	Production
Cotton	Buliisa	Workshop	Area and Site Coordinators	105	99	6	7	Pest Management
Cotton	Buliisa/Masindi	workshop	Area and Site Coordinators	36	34	2	4	Production
Cotton	Bulumba/Kaliro	Workshop	Area and Site Coordinators	43	41	2	2	Pest Management
Cotton	Bulumba/Kaliro	Workshop	Area and Site Coordinators	42	40	2	2	Production

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Cotton	Buseruka/Hoima	Workshop	Area and Site Coordinators	16	14	2	0	Production
Cotton	Buseruka-Hoima	Marketing	Area and Site Coordinators	15	15	0	1	Pest management
Cotton	Bushenyi	Workshop	Workshop	35	33	2	1	Production
Cotton	Iki Iki - Pallisa	Workshop	Area and Site Coordinators	47	45	2	4	Production
Cotton	Iki Iki-Pallisa	Workshop	Area and Site Coordinators	48	45	3	3	Pest Management
Cotton	Kabarole	Workshop	Area and Site Coordinators	52	51	1	2	Pest Management
Cotton	Kabarole-Pallisa	Workshop	Area and Site Coordinator	51	50	1	2	Production
Cotton	Kachumbala	workshop	Area and Site Coordinators	87	81	6	2	Pest management
Cotton	Kachumbala	Workshop	Area and Site Coordinators	87	81	6	2	Pest Management
Cotton	Kamuli	Workshop	Area and Site coordinators	18	16	2	2	Production
Cotton	Kamuli	workshop	Area and Site Coordinators	19	16	3	2	Pest Management
Cotton	Kibuka	Workshop	Area and Site Coordinators	28	25	3	0	Pest Management
Cotton	Kibuku	Workshop	Area and Site Coordinators	0		0	0	Pest Management
Cotton	Kibuku-Pallisa	Workshop	Area and Site Coordinators	28	25	3	0	Production
Cotton	Kigumba	Workshop	Area and Site Coordinators	47	32	15	3	Pest Management
Cotton	Kinyamaseke/Kasese	Workshop	Area and Site Coordinators	37	37	0	2	Production
Cotton	Moyo	Workshop	Area and Site Coordinators	18	18	0	1	Pest Management
Cotton	Moyo	workshop	Area and Site Coordinators	17	17	0	2	Production
Cotton	Mubuku/Kasese	Workshop	Area and Site Coordinators	34	31	3	1	Production
Cotton	Mutunda/Masindi	workshop	Area and Site Coordinators	23	23	0	1	Pest management
Cotton	Mutunda/Masindi	Workshop	Area and Site Coordinators	23	23	0	1	Production
Cotton	Nakivumbi/Iganga	workshop	Area and site coordinators	42	40	2	2	Pest management
Cotton	Nakivumbi/Iganga	workshop	Area and Site	31	30	1	0	Production

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			Coordinators					
Cotton	Nebbi	Workshop	Area and Site Coordinators	41	41	0	2	Production
Cotton	Tororo	Workshop	Area and Site Coordinators	76	69	7	1	Pest Management
Cotton	Yumbe	Workshop	Area and Site Coordinators	28	28	0	2	Pest Management
Cotton	Yumbe	Workshop	Area and Site Coordinators	27	27	0	3	Production
				1,421	1,301	82	73	
Inputs	Bushenyi	Workshop	Stockists	23	15	8	1	Business Management
Inputs	Mityana	Workshop	Stockists	28	18	10	3	Business Management
Inputs	Mubende	workshop/seminar	Stockists	22	16	6	0	Business management
Maize	Bugiri	field day	Commercial farmers	65	59	6	0	Production and marketing
Maize	Bukuya-Mubende	field day	PO lead farmers and commercial farmers	71	55	16	0	Post harvest and Marketing
Maize	Butaswa, Bugaya-Kamuli	field day	PO Lead farmers and commercial farmers	104	85	19	0	Post harvest and marketing
Maize	Cheminy-Kapchorwa	workshop/seminar	Commercial farmers	48	40	8	0	Post harvest and Marketing
Maize	Gayaza Ntwetwe-Kiboga	field day	PO lead farmers and commercial farmers	60	44	16	0	Production
Maize	Iganga	field day	Commercial farmers	112	90	22	0	Production and marketing
Maize	Iganga	field day	PO lead farmers and commercial farmers	62	85	18	0	post harvest and marketing
Maize	Kamuli	field day	commercial farmers	90	77	13	0	Production and marketing
Maize	Kapkwata-Kapchorwa	Field day	PO lead farmers and commercial farmers	69	52	17	0	Production and marketing
Maize	Kapnarkut-Kapchorwa	workshop/seminar	Commercial farmers	91	71	20	0	post harvest handling and marketing
Maize	Kaproron-Kapchorwa	field day	PO Lead farmers and commercial farmers	65	61	4	0	Production
Maize	Kaptanya-Kapchorwa	field day	PO lead farmers and commercial farmers	83	76	7	0	production and marketing
Maize	Kaptanya-Kapchorwa	workshop/seminar	Commercial farmers	55	43	12	0	Post harvest and marketing
Maize	Kibaale-Kiboga	workshop/seminar	Commercial farmers	85	57	28	0	Post harvest handling and marketing
Maize	Kikuya, Butemiba-Kiboga	field day	PO lead farmers and commercial farmers	103	71	32	0	Production
Maize	Kitokolo-Mubende	field day	PO lead farmers and commercial farmers	93	84	9	0	post harvest and marketing
Maize	Kizibawo, Bulera-	field day	PO lead farmers and	99	75	24	0	Production

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	Mubende		commercial farmers					
Maize	Kyamulinga-Mubende	workshop/seminar	Commercial farmers	85	65	20	0	Post harvest and marketing
Maize	Makokoto-Mubende	workshop/seminar	Commercial farmers	128	77	51	0	Post harvest and marketing
Maize	Makonzi, Kasanda-Mubende	field day	PO Lead farmers and commercial farmers	79	54	25	0	production
Maize	Nabukalu-Bugiri	field day	PO lead farmers and commercial farmers	85	74	8	0	post harvest and marketing
Maize	Nkooko-Kiboga	workshop/seminar	Commercial farmers	86	68	18	0	post harvest and marketing
Maize	Ntwetwe-Kiboga	Field day	PO Lead farmers and commercial farmers	94	86	8	0	Post harvest and marketing
Maize	Serunyonyi-Kiboga	field day	PO Lead farmers and commercial farmers	103	84	19	0	Post harvest and marketing
Maize Seed	Nalweyo-Kibaale	workshop/seminar	maize seed producers for NASECO	40	37	3	2	production and quality
				2,055	1,670	423	2	
Organic Sesame	Lira district	Workshop/Seminar	Site Coordinators	21	17	4	0	Production
Conventional Sesame	Camp sub-county, Arua district	Workshop/seminar	Site coordinators and lead farmers	26	22	4	0	Production
Organic Sesame	Ocoko sub-county, Arua district	workshop/seminar	Site coordinators and lead farmers	55	52	3	0	production
				102	91	11	0	
Sunflower	Lira	Workshop/seminar	District, Area and Site Coordinators	59	57	2	0	Production, IPM
Sunflower	Lira	Workshop/Seminar	District Area and Site Coordinators	78	76	2	0	Production, IPM
Sunflower	Lira district	workshop/seminar	Site coordinators	58	57	1	0	Production
Sunflower	Masindi district	workshop/seminar	Site coordinators	32	31	1	0	Production
				227	221	6	0	
Upland Rice	Bugiri	workshop/seminar	District area and site coordinators	46	43	3	0	Production, IPM
Upland Rice	Bulidha-Bugiri	workshop/seminar	Lead farmers	116	86	30	0	Production IPM
Upland rice	Buwunga-Bugiri	Workshop/Seminar	Lead farmers	112	89	23	0	Production/IPM
Upland rice	Nabukalu-Bugiri	workshop/seminar	Lead farmers	0		0	0	production, IPM
Upland Rice	Tilda Bugiri	seminar	District Area and Site3 Coordinators	48	46	2	0	Post harvest and marketing
				322	264	58	0	
TOTAL				12,922	9,563	2,540	288	

ANNEX F**SAF Client Database Activity Report**

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		\$ -	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 Bundibujyo.	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	\$ -		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	

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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
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	- \$ 107,431
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	\$ -	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

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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	4,906,670	
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	\$ -	-	\$ 73,139
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	403,936,000		\$ 81,122	290,592,310	
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
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	13,150,550	
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	7,560,000	
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			8,200,000	
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		\$ 415,009	18,380,000	
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		\$ 575,210	27,533,700	
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	9,343,535	

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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	79,748,920
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	41,541,050
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	22,002,408
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	73,215,000
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	20,092,950
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	81,315,000
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	32,264,340
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	34,400,452
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 targeted include Tororo and Busia.	17-May-05	28-Feb-06	44,658,000		\$	36,531	20,619,500

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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	13,789,900
					2,430,913,720	\$ 806,205	\$ 3,643,872	798,656,285

PRIVATE SECTOR FUNDS LEVERAGED

AMOUNT AWARDED IN USD

USH awards	\$ 1,350,508
USD awards	\$ 806,205
Total awards	\$ 2,156,713

AMONT REMAINING

SAF remaining	\$ 2,343,287
% awarded	47.93%
% remaining	52.07%

	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
TOTAL	\$ 3,171,332	\$ 1,613,384

