

Origin Report:



Uganda | Bundibugyo

Last Naked Cacao Sourcing Trip: August 12th-17th, 2018

Location: Bundibugyo District

Country Profile

Uganda is historically regarded as a coffee producing country, currently holding the spot as Africa's second largest producer behind Ethiopia. Cacao farming was originally introduced to Uganda around 100 years ago, but until recently was not a real focus of development. Deep roots in the coffee sector have dominated government investment over the years, leaving little attention to the expansion of the cacao sector. However, a combination of government turmoil, coffee price volatility, and intense diseases plaguing crops beginning around the 1970s led to the eventual emergence of Uganda's cacao sector. A focused effort during the last few decades contributed to current annual production levels of approximately 30,000 metric tons, a tremendous opportunity that is helping build economic stability for thousands of farmers in remote communities. It is widely believed that income has increased for cacao farmers in Uganda, yielding more profit at the farmer level than previous coffee farming.



As one of the few cacao producing countries in East Africa, the main genetic variety found in Uganda remains forastero brought from the Upper Amazon, along with trinitario and some traces of criollo. The vast majority of cacao is cultivated in the district of Bundibugyo which lies along the border of the Democratic Republic of the Congo in western Uganda. Bundibugyo sits between the Rwenzori National Park to the south and the Semuliki National Park to the north, at an elevation of roughly 2,800-3,000 ft. above sea level. Outside of Bundibugyo, cacao is also cultivated on a smaller scale in the districts of Mukono, Jinja, Kamuli, Buikwe, Masindi, Mayuge, Iganga and Kayunga, situated in eastern Uganda and north of the famous Lake Victoria. While cacao is mostly harvested year-round, the main crop season takes place between September – March. Aside from coffee and cacao, Uganda is also large exporter of tea, spices and vanilla (among many other non-agricultural related exports).

Farm Profile

Naked Cacao has partnered with exporting enterprise Esco Uganda to source Organic & UTZ certified cacao from farmers in the Bundibugyo district of western Uganda. Esco has provided instrumental leadership in the



development of the cacao sector in Uganda, helping resurrect growth in cultivation by providing education and market access to farmers decades ago. They continue to play a vital role in the local community of Bundibugyo working with thousands of farmers. Equipped with a team of agronomy professionals, Esco not only buys cacao from farmers but they continuously work at an individual level with each of the farmers to provide guidance on cultivation techniques and proper post-harvest management.

Esco operates under the model of allowing farmers to ferment their cacao in order to stimulate entrepreneurship, accountability and increase premiums at the farmer level.

They are able to achieve this through their wide network of field officers trained specifically to work with each farmer on quality control. Field officers actively travel around their designated regions meeting with individual farmers on-site continuously throughout the year, helping form an intimate farming network and knowledge sharing community. It is through this wide reaching network of well-trained field officers that ensures quality control across the base of farmers. Farmers in Bundibugyo rely almost exclusively on income from cacao and understand the importance of proper management throughout the process in order to maximize the quality of their product and achieve higher corresponding premiums.

The agribusiness focuses efforts on the collective improvement of farmer livelihoods and community development through social responsibility projects. During the offseason Esco hosts various training seminars on topics relating to farming practices, farm maintenance, importance of youth education, entrepreneurship and financial management. They pride themselves on having an intimate relationship with thousands of farmers, stating most recently that they have proudly trained 8,191 face to face in Uganda – a truly astounding figure and a testament to their commitment. Farmers that operate within their program enjoy not only fair base premiums, but also an additional premium for the Organic & UTZ certifications and most importantly the vast support network offered by the company. Each year in a meeting facilitated by Esco, farmers collectively decide how best to apply additional certification premiums, either through cash distributions or contributing to local infrastructure improvement projects.

Post-Harvest Handling

Farmers in Bundibugyo are responsible for handling fermentation and drying of their cacao following harvest. In the early years Esco helped stimulate growth in farming by providing both education on farming practices and resources such as fermentation boxes, woven baskets and drying tarps. Off season training programs by Esco continue to teach farmers on proper techniques and management, keeping their knowledge up to speed. Furthermore, the vast network of field officers remains in constant contact with farmers across the region throughout the



entire year to ensure quality is controlled. Following a standard 6-day fermentation and subsequent drying, farmers bring their cacao to the closest buying center for grading and analysis. During the rainy season if farmers are not able to achieve proper drying, Esco will finish the process at their nearby centralized facility to bring moisture levels to <7.5% for export.

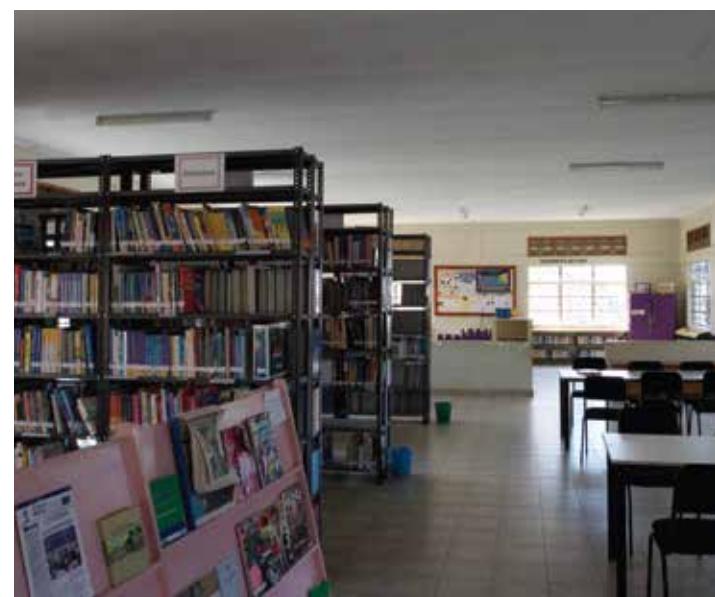
Cacao Profile

Rich and fertile soil in Bundibugyo create ideal growing conditions for various agricultural crops, with cacao thriving in recent decades. Forastero was the original genetic variety introduced to Uganda and it continues to be the most common variety found today. Additionally, traces of trinitario and criollo varieties can be found in the region. The prevalence of fruits and other crops in the area which maintain soil health paired with unique elevation create a distinctly complex flavor profile unlike traditional bulk forastero beans grown in West Africa. Cacao is grown in forests using the support of shade trees rather than direct sun, attributing to the higher quality and robust flavor present in these beans.

Sustainability in Focus

Esco Uganda remains uniquely connected to the wellbeing of farmers and the local Bundibugyo community where they operate. Demonstrated through training programs, investment in cacao cultivation resources for farmers, and local infrastructure projects, they play an active role in developing economic stability in the region. Most recently, Esco partnered with the local Bundibugyo district government to complete the construction of the towns first public library which opened in 2017. As many rural communities in Africa are deprived of proper educational resources, they maintain a firm belief that investment in youth education is paramount for the collective development of the region. A tremendous success, the library continues to be filled with books and computers which both children and adults are showing great interest.

Moreover, in an effort to address the issue of personal financial management Esco has pioneered a “Farmer Savings Scheme” program. Given that much of the annual harvest falls in the main crop season, farmers receive most of their annual income across only a few months. With little education on how to manage finances and save money for the off-season, farmers worldwide suffer economic challenges resulting from little education on how to properly manage personal finances and save income for the off-season. Through this savings program, farmers are encouraged to defer a % of income during the peak season. Esco will hold and pay interest on this deferred payment, which





farmers can access during the slow season. The savings program has helped farmers be able to distribute spending of their income more evenly around the year and teaches them the value of saving for the future.

Environmental protection and sustainable farming practices are also a key highlight for Esco in Bundibugyo. The company teaches farmers to grow through sustainable methods rather than aggressive short-term expansion. For example, farmers are taught to plant banana trees along with planting new cacao trees to maintain health of soil and biodiversity of the forest. Furthermore,

there is a heavy focus on the use of shade trees. Esco manages multiple nurseries of shade trees on site which they disperse to farmers for implementation on farms to avoid deforestation practices common in so many areas of West Africa. The UTZ certification requires a certain amount of shade trees present on all farms to achieve a balance of biodiversity fit for sustainable long-term growth

Did you know?

Over 30 different indigenous languages are spoken across Uganda today. Even when driving around to meet farmers within the Bundibugyo district you will hear 5-6 different languages spoken. Most of the languages fall within three main groups: Bantu, Nilotic and Central Sudanese.

