

**ASSESSING FACTORS THAT AFFECT PROFITABILITY OF ARABICA COFFEE
AMONG SMALL SCALE FARMERS IN BULAMBULI DISTRICT**

A CASE STUDY OF SIMU SUB COUNTY.

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**A SPECIAL PROJECT REPPORT SUBMITTED TO THE FACULTY OF
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REQUIREMENTS FOR THE AWARD OF A BACHELORS DEGREE IN
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DECLARATION

DECLARATION

I NAFUNA MIRIAM declare to the best of my knowledge that this research report is my work and truly based on my efforts and direct participation under the guidance of field academic Supervisor in the names of Mr. IISA AUGUSTINE.

Student's name: NAFUNA MIRIAM

Sign 

Date 30th / 10 / 2024 .

APPROVAL

APPROVAL

This special project report has been submitted to the department of agribusiness and extension with approval of the university supervisor.

Signature... *[Handwritten Signature]* Date... *04/11/2024*
Name of supervisor... *USA Augusti*

DEDICATION.

I dedicate this research dissertation to my beloved parents, Mr. Monje Francis and Mrs. Nandudu Sarah, and my brothers, who supported and motivated me to realize my dream. This work also dedicated to all those who stood by me through both easy and challenging times.

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LIST OF ABBREVIATIONS AND ACRONYMS

UCDA: Uganda coffee development authority.

KM: Kilometer.

SPSS: Scientific package for social scientists

NAADS: National Agricultural Advisory Development Service.

IPM: Integrated pest management.

ABSTRACT

Arabica coffee is an important cash crop in the Bulambuli district, particularly in Simu Sub County; however, its profitability is still low. There has been limited research on the factors influencing the profitability of Arabica coffee in this region. Using a random sampling technique, this study gathered data from 133 Arabica coffee farmers through questionnaires that included both open-ended and closed-ended questions. The data analysis was performed using the Statistical Package for the Social Sciences (SPSS version 16.0). Descriptive statistics were employed to assess the farmers' characteristics, such as examining their age in terms of years and analyzing gender by comparing the participation rates of male and female farmers in Arabica coffee cultivation.

To analyze objective two, multiple regression models were employed as it illustrates one dependent variable influenced by multiple independent variables. For instance, variables like access to coffee inputs(x_1), price fluctuation(x_2), farmer's income(x_3) were included with the equation as below: $Y = X_1, X_2, X_3 \dots$ where Y (profitability of Arabica coffee) depends on several independent variables, including x_1, x_2, x_3 and x_4 .

The third objective employed both descriptive and inferential statistics. Farmers in Simu sub-county face numerous challenges including coffee price fluctuations, poor quality inputs, poor transport and influence of middlemen. However, farmers use proper postharvest handling practices, use of high quality inputs, formation of farmer groups and conducting trainings as remedies to the challenges they face.

CHAPTER ONE

1.1 Introduction

Coffee belongs to the genus in the Rubiaceae family. It is an evergreen shrub characterized by multiple stems and smooth leaves, producing clusters of cream-white flowers and fruit, commonly referred to as berries, each typically containing two seeds, characterize the coffee plant. Coffee ranks among the most important cash crops worldwide, serving as a major source of export revenue for many developing nations (Lara, 2022).

Globally, Brazil leads as the largest coffee producer and exporter, achieving a record harvest of nearly 60 million bags. According to the International Coffee Organization, Brazil contributed 35% of the total coffee output among exporting countries during this period (Luiz et al., 2023).

Coffee remains a vital cash crop and income generator for farmers, especially in regions such as Central, East, South, and West Africa. In East and Central Africa, coffee plays an essential economic role, acting as a primary source of foreign exchange earnings. This crop supports the livelihoods of millions involved in its cultivation, processing, marketing, and export activities (Rutherford et al., 2006).

In Uganda, coffee serves as a significant cash crop, contributing notably to foreign exchange earnings and job creation through its export to other nations (Saragih, 2019). As Africa's second-largest coffee producer, Uganda takes pride in its economic development, which is supported by the employment opportunities generated in this sector (Chaves et al., 2022). Approximately 1.7 million households cultivate coffee, and the industry provides jobs for over 5 million people involved in various activities within the coffee value chain. (Chialva et al., 2023).

Coffee remains a key player in Uganda's economy, contributing between 20% and 30% of the country's foreign exchange earnings, even amidst the government's strong push for economic diversification (Widiastuti, 2021). Uganda has consistently upheld coffee as the primary

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