



**NATIONAL AGRICULTURAL EXPORT
DEVELOPMENT BOARD**



ANNUAL REPORT

*Rwanda Coffee
A Second Sunrise*



2016-2017



Kigali, July 2017



Dr NGABITSINZE Jean Chrysostome
Chairman, Board of Directors

Foreword from the chairman of the board of directors

It is my pleasure to inform you all, our esteemed stakeholders, that we closed yet another fiscal year at the National Agricultural Export Development Board (NAEB) with a good performance. The fiscal year 2016-2017 was an opportunity for NAEB to strengthen the agricultural export growth stability

The achievements realised in the course of this year were based on the plan set for the fifth year of EDPRSII. They would not have been possible without the efforts of stakeholders, members of staff, management and the board.

On behalf of the board of directors, I am grateful to NAEB management and staff for responding with resilience and commitment to a different today and coming tomorrow.

Special thanks go to our stakeholders whose commitment facilitated NAEB to play its role of supporting the national economic agenda by narrowing the trade balance deficit through the increase of agriculture commodity exports and strengthening their value addition. We are especially indebted to the farmers, whom without their efforts, we would not be positioned to be relevant. Our grateful appreciation goes as well to the Ministry of Agriculture and Animal Husbandry for their counsel and unceasing support.

As always, NAEB's commitment is unfazed but renewed for the coming years. We count on your continued support in the successful implementation of the expanded mandate

NAEB will remain dedicated in providing the best potential opportunities with investors and other sector's players who can widen the agri-export industry.

In the longer term, with our development partners and stakeholders, we remain very positive about the opportunities to improve our contribution towards the enhancement of NAEB's mandate and we are confident that all these efforts will yield more good results that will strengthen the ongoing mission to facilitate the growth of agricultural export revenues.

A handwritten signature in blue ink, appearing to read 'Jean Chrysostome', written over a light blue horizontal line.

Dr NGABITSINZE Jean Chrysostome
Chairman, Board of Directors



Amb. George William KAYONGA
Chief Executive Officer/ NAEB

Introduction by the Chief Executive Officer

2016-2017 fiscal year was an important year for NAEB in many respects; a year that saw substantial progress on a number of fronts. The agricultural export sector remained resilient despite challenges across the globe especially due to commodity prices volatility and seasonal droughts that affected the agriculture production. This clearly marks our role as NAEB in becoming even more relevant.

The accomplishments detailed in this report are evidence of the work undertaken by this institution to unleash Rwanda's agricultural export sector by generating revenues from agriculture commodities grown by committed farmers to spur the growth of exports.

Under the period of review, NAEB facilitated the generation of \$356,510,660 from agricultural export commodities which represent an increase of 25%, comparing to the previous year 2015-2016.

I am pleased to forward my thanks note to all farmers out there, agriculture exporters, stakeholders and agribusiness community partners. We all value you for the hard work you present in smoothing our work. For you always associate yourselves with our mission to grow agriculture export development, we salute you.

We owe the achievements and progress done in the course of this period to all partners who always contribute to the improvement of the sector. The key contributors to the agri-export development and in leading NAEB to its progress and success are its whole staff members under the leadership of the Ministry of Agriculture and Animal Husbandry. The concerted efforts by the NAEB's staff should push further the development agenda of the years to come.

On behalf of NAEB's management and all staff members, I extend my appreciation to the extended support from the board of directors under the chairmanship of Dr NGABITSINZE Jean Chrisostome. Your efforts to enhance the mandate and mission of NAEB was a key role in running the institution.

Again in a special way I acknowledge with appreciation the outstanding role played by the Government of Rwanda through the Ministry of Agriculture and Animal Husbandry for their continued contribution and commitment to the development of the export sector. It is our sincere belief that the Government will continue supporting NAEB for the foreseeable future.


Amb. George William KAYONGA
Chief Executive Officer/ NAEB

Executive Summary

This report gives a high-level outlook of the activities and achievements of the National Agricultural Export Development Board (NAEB) during the 2015/16 fiscal year. The achievements realised throughout this year all contribute towards achieving NAEB's mission to facilitate Rwanda's agricultural export sector growth by enabling a qualitative and quantitative export commodities, while enhancing farmers' capacity building and welfare.

One of significant activities NAEB took into consideration is the development of agri-export value chains for key commodities to increase the production of processed goods and add value to the crops. Other activities include the expansion of acreage planted with these cash crops, providing access to value addition by availing mineral fertilizers and other agricultural inputs and enhancing the potentiality of infrastructures in place and construct new ones for betterment of the production.

2016-2017 left the coffee sector with new 1500 hectares planted and 1,470,000 new seedlings prepared for that expansion. Alongside the expansion programme, 4,914,373 Kg of fertilizer were applied to 76,287,097 coffee trees with 21,666 litres of pesticides to maintain the increase of production's quality and quantity.

In the course of the same year, the sector produced 18,439MT below 20,029 MT in the previous year which is a decrease of 7.9%. The coffee exported in terms of revenues from July 2016 to June 2017 reduced by 3.4% from 60,718,061 in 2015-2016 USD to 58,526,023 USD. This decrease is attributed to the reduction of coffee volumes exported (by 5.4%) compared to the previous year 2015-2016.

The growth of tea sector is also a result of efficient and integrated agricultural practices such as fertilizer application, gap filling as well as area expanded. The Rwandan tea production has recently performed well in an upward growth. In this year, 605 ha of new tea plantations were added to the existing area which is an achievement of 74% compared to the targets that had been set. In the fiscal year, 7,985.04 MT of fertilizers was distributed and applied in the 16 tea estates. New tea sites are being developed whereby more than 300 families have been expropriated and 1,158 ha of land will be of industrial tea blocs.

During the year 2016 - 2017, the low rainfalls experienced had an impact on the decrease of green leaf production by 4% and made tea production by 3%. However, the tea sales revenues for the year 2016 - 2017 increased to \$74.5million from \$70.7 million received in 2015-2016.

In this year, floriculture has added value to the horticulture sector and bringing more private sector companies. The horticulture value chains exports were 25,586 MT that generated 15,586,734 USD. Forex earnings totalling \$ 356,510,660 compared to \$ 284,284,535 earned in 2015 - 2016 represent an increase of 25%. Tea sector has played a vital role in this growth due to good price registered in 2016 -2017.

Board Members



Dr NGABITSINZE Jean Chrysostome
Chairman



HATEGEKIMANA Cyrille
Vice Chairman



KAYITESI Regina
Board Member



MATAMA NGABO Clairette
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Board Member

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LIST OF ACRONYMS

CEPAR	: Coffee Exporters and Processors Association of Rwanda
EDPRS	: Economic Development and Poverty Reduction Strategy
FFS	: Farmer Field Schools
IFAD	: International Fund for Agriculture Development
IPM	: Integrated pests management
FW	: Fully Washed
NAEB	: National Agricultural Export Development Board
NAOC	: National ApiExpo Organizing Committee
NSC	: National Sericulture Centre
PRICE	: Project For Rural Income Throught E
PSTA	: Strategic Plan for Agricultural Transformation
SNV	: Netherlands Development Organisation
SPIU	: Single Project Implementation Unit
SW	: Semi Washed
TMEA	: Trade Mark East Africa



INTRODUCTION

This report is composed by statistical data for all activities conducted by NAEB and its stakeholders From July to June 2017. It has also the narrative part that describes all conducted activities covering the whole value chains, technical and functional divisions accomplished activities. Each division is presented with stakeholders interventions accompanied by illustrative pictures. The cumulative achievement of fiscal year July 2016-June 2017 revenues is \$ 356,510,660 compared to \$ 284,284,535 earned in July 2015-June 2016 which represent an increase of 25. The increment of fiscal year 2016-2017 comes mainly from tea export due to good price registered in 2016-2017, vegetables oil dominated by palm oil and other vegetables cooking oil which have their origin in Malaysia and re-exported to RDC.

The revenues increment of year 2016-2017 came also from export of oleaginous dominated by Corn Soya blend that has seen a remarkable increase since the month of March 2017 locally produced. The horticulture sector with significant increase of flower export also contributed to the achieved result of 2016-2017.

The decrease reported in tea and coffee production was a result of climate change that affected most of tea and coffee plantation. A considerable difference of 3,378mm of rain was observed between the two fiscal years.

Export performance summary 2016-2017

Commodities	July 2016-June 2017	July 2015-June 2016	% change
Coffee			
Production(Kg)	18,439,111	20,029,326	-8
Exports(Kg)	18,502,442	19,560,636	-5
Value of Exports(USD)	58,526,023	60,718,061	-4
Tea			
Production(Kg)	25,565,512	26,261,000	-3
Exports(Kg)	25,128,967	24,860,386	1
Value of Exports(USD)	74,548,304	70,773,796	5
Pyrethrum			
Exports(Kg)	9,329	22,404	-58
Value of Exports(USD)	1,655,350	4,117,754	-60
Total in USD traditional exports	134,729,678	135,609,611	-1
Vegetables			
Exports(Kg)	19,227,263	16,620,941	16
Value of Exports(USD)	11,001,766	4,481,695	145
Fruits			
Exports(Kg)	5,918,322	3,645,844	62
Value of Exports(USD)	4,584,972	1,315,871	248
Flowers			
Exports(Kg)	177,661	2,974	-
Value of Exports(USD)	1,243,427	13,428	-
Hides and Skins			
Exports(Kg)	6,345,145	6,781,532	-6
Value of Exports(USD)	7,957,948	7,411,684	7
Meat			
Exports(Kg)	6,237,017	5,310,472	17
Value of Exports(USD)	22,906,406	17,663,941	30
Dairy products			
Exports(Lts)	12,081,956	12,732,335	-5
Value of Exports(USD)	13,061,738	12,758,452	2
Live Animals			
Exports(number)	1,139,227	1,510,058	-25
Value of Exports(USD)	27,001,980	34,513,109	-22
Cereals (Grains & Flours)			
Exports(Kg)	141,959,696	54,724,337	159
Value of Exports(USD)	68,040,167	27,680,463	146
Pulses			
Exports(Kg)	16,995,500	18,893,861	-10
Value of Exports(USD)	10,095,956	11,406,147	-11
Roots and Tubers and Flours			
Exports(Kg)	16,131,105	24,620,893	-34
Value of Exports(USD)	4,758,216	7,299,212	-35
Other agricultural exports			
Exports(Kg)	51,656,253	38,278,561	35%
Value of Exports(USD)	51,128,406	24,130,922	112%
Grand Total export	356,510,660	284,284,535	25

** Other agricultural exports include: Fish, banana & its products, forestry products, tobacco products, sugarcane & sugar, eggs, vegetable oils, essential oils and oleaginous.



Coffee performance 2016-2017

Rwandan coffee industry is dominated by the small-holder-growers. Coffee is grown by around 355,771 farmers and covers more than 35,000 ha. Over the last few years, the good quality of Rwandan coffee stimulated its demand and this contributed to an increase in income for farmers from coffee revenues and as a response is the demand for coffee seedlings to expand coffee plantations. This was accompanied by increase in the processing for specialty coffee and an increase in the number of coffee washing stations to 261 from 189 in 2009.

During the fiscal year 2016-2017, it was targeted to generate 67.8 million USD dollars and a production of 22,650MT by implementing activities that increase coffee production and value addition. The activities centred on gap filling and maintenance of coffee plantations, increasing the fully washed coffee production to 60% through farmer mobilization to deliver cherries to coffee washing stations and improving the management of cooperative owned coffee washing stations as well as promoting the Rwandan coffee in the regional and foreign markets.

Coffee production was attained at 81%, of the target, revenues generated were attained at 86% of the target.

Coffee production and productivity

Coffee Expansion and Seedlings Preparation

The FY 2016-2017 coffee expansion program was characterized by completion of planting 1500ha that were not completed in the year before and preparation of seedlings for gap filling of the area that were destroyed by severe sunshine in the districts of Kirehe, Rulindo, Gakenke and Nyamagabe. The mapping of planted area with the help of GIS reported an area of 1,406ha planted out of 1,500ha by 2016B. Expansion activities were conducted on 93.15ha from the districts of Gakenke - 57.8ha, Nyamagabe - 16.6ha, Kirehe - 14.3ha and 4.5 ha in Rulindo. Gap filling were completed on 400HA in the districts of Kirehe, Rulindo, Gakenke, Nyamagabe with already prepared 1,470,000 seedlings.

Coffee seedling preparation for 2017-2018 season



In order to increase the coffee production, NAEB targeted to expand coffee plantations. For the year 2017, this expansion will be done in Gakenke and Huye Districts on a total area of 200 ha with each district 100ha.

Coffee seedlings were prepared through the use of community approach. In total, 590,000 coffee seedlings were prepared in different sectors of Gakenke and Huye Districts. These sectors are Minazi, Muyongwe, Mataba and Coko of Gakenke District and Maraba, Mbazi, Huye and Kigoma of Huye District.

Coffee seed varieties prepared

Coffee seed varieties were sourced from RAB and were distributed for seedling development. Varieties distributed were BM139 and RAB C15.

Increase coffee on-Farm Productivity

District	Sector	community Groups Formed	Quantity Of Coffee Seeds(Kg)	Type Of Variety	Expected Seedlings To Be Prepared
HUYE	MARABA	2	40	BM 139	80,000
	HUYE	1	30	BM 139	60,000
	KIGOMA	1	40	BM 139	70,000
	MBAZI	2	40	BM 139	85,000
GAKENKE	COKO	1	20	BM 139	45,000
	MINAZI	2	70	RAB C15	175,000
	MUYONGWE	1	30	RAB C15	45,000
	MATABA	1	20	BM 139	30,000
TOTAL		11	290		590,000

Coffee Seedlings preparation and Monitoring

After the identification of the sites where coffee expansion will be conducted, districts cash crops officers, districts agronomists, sector agronomists and other local authorities collaborated with NAEB staff in conducting meetings and follow up of the activity.



NAEB staff explaining to coffee farmers the procedures for the tender using the community approach



Farmers attending meeting on coffee in Maraba Sector, Huye District



Coffee seedlings under seedbeds at Sarabuye Site, Minazi Sector



Coffee seedlings under seedbeds at Kinyana site, Huye Sector

Transplantation of Seedlings

In total, 611,076 seedlings have been pricked out and the shelter covering them has been constructed.



seedlings under nursery beds at Kinyana site, Huye Sector



seedlings under nursery beds at Sanzu site, Kigoma Sector

Challenges

During the preparation of coffee seedlings for the year 2016/2017, some challenges were noted. These include:

- ▶ Let delivery of potting bags and the community groups did not have a capacity to purchase them before receiving their first payment..
- ▶ Delay in payment of invoices due to required procedures from MINECOFIN.

Coffee Pruning Campaign

In order to maintain coffee plantations, a vast coffee pruning and maintenance campaign have been organized from July to August 2016 in all Districts of the country. Production pruning was done at 88% of the 51,244,950 coffee trees whereas rejuvenation was done at 67% of the 13,528,606 coffee trees.

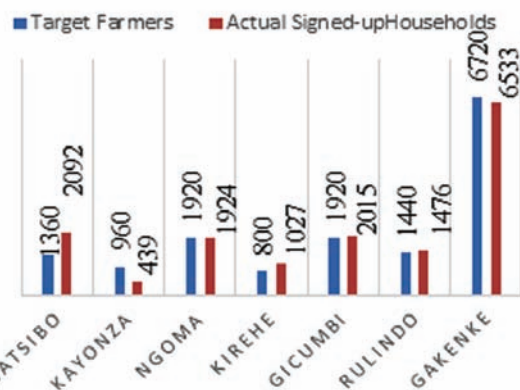
Farm Field Schools Program

In collaboration with TECHNOSERVE which is implementing the program, NAEB/PRICE Project targeted to establish 378 FFS for 15,000 coffee farmers for the cohort 1. This cohort started in June 2016 and was scheduled to end in July 2017.

These FFS's are located across the country in 7 selected coffee zones and 18 sectors with a total of 15,120 coffee farmers being trained. The FFS trainings started in September 2016 and by the end of June 2017, coffee farmers were trained in 13 out of 14 topics on good agriculture practices. Topics covered included record keeping, composting, mulching, weed control, coffee nutrition, coffee tree pruning and rejuvenation, erosion control, shade systems, IPM and intercropping.

For the second group which will be trained in Nyamagabe, Huye, Nyaruguru, Nyamasheke and Rusizi Districts the service provider is at the stage of introduction at districts and training will commence in July 2017.

FFS IN SELECTED ZONES



Mineral fertilizer distribution and application

During the 2017A season, a total of 4,916 tons of mineral fertilizers were distributed, of which 4,914 tons (99.97%) were applied, this represent an over achievement of the annual target which is 4,700 tons. In order to ensure an efficient application of mineral fertilizers, NAEB signed MoU with Reserve Force to follow up this activity.



This year's fertilizers application was done using groups of farmers in collaboration with CWS operating in their respective zones and local authorities. Compared to 2015, there has been an increase in applied fertilizer by 12.8%. This increase is attributed to the efforts put in availing funds allocated to fertilizers and strengthening the management of its distribution and application.

Province Name	Number Of Coffee Trees To Be Applied Fertilizer	Quantity Of Fertilizer Distributed (Kg)	Quantity Of fertilizer applied (kg)
EAST	17,680,428	1,084,400	1,084,400
KIGALI CITY	710,628	32,500	32,500
NORTH	7,179,871	440,450	440,450
SOUTH	24,325,205	1,492,650	1,491,550
WEST	26,390,966	1,866,000	1,865,473
GRAND TOTAL	76,287,097	4,916,000	4,914,373

Challenges

- ▶ Insufficient fertilizer (the covered area is estimated at 64.4%)
- ▶ Theft of fertilizer at the local government level and lack sufficient means of follow up to ensure a better application and evaluate the impact of the application.
- ▶ Untimely reporting by districts cash crops officers.
- ▶ Climate change (short period of rain especially in Southern and Eastern Provinces)

Pests and Diseases Control

During the season 2017A, NAEB distributed 7,750 litres of inorganic pesticide for antestia bug control (Fastac), 5,150 litres of organic pesticide for antestia bug control (Pyrethrum EWC Plus) and 509 litres of Fungicide (Cabrio) for Coffee Berry Disease Control in different Districts. Fastac and Cabrio are new pesticides against antestia and coffee berry disease respectively which were tested by RAB. Through NAEB and CEPAR, BASF Ltd a training was organized for extension and field staff on the safe use of these pesticides at Hiltop Hotel.

Insecticides distribution and application against antestia bug

PROVINCE	Comparison of Insecticides (liters) distributed & applied.			
	2016A distributed	2016A applied	2017B distributed	2017 B applied
EST	2,269	2,222	2,098	2,089
KIGALI CITY	83	83	82	82
NORTH	930	859	2,446	2,446
SOUTH	2,860	2,849	2,731	2,725
WEST	3,080	2,843	5,543	5,468
GRAND TOTAL	9,222	8,856	12,900	12,810

In order to control coffee berry disease (CBD) and cercosporiose, NAEB distributed 594 litres of cabrio in Nyamasheke, Rusizi, and Nyamagabe, Gakenke and Ngoma Districts.

Challenges faced during the application of pesticides

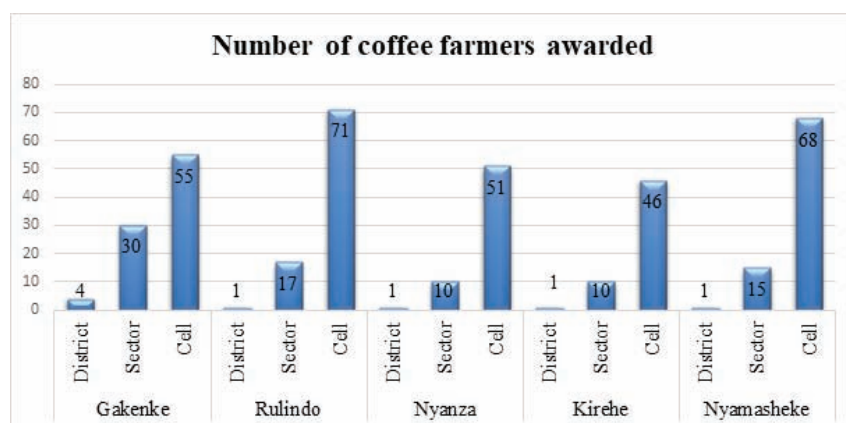
- Delay in the supply of pesticides both insecticides and fungicides by the contractor (BASF);
- Insufficient sprayers for pesticides (sprayers, protecting materials);
- Limited availability of cash crops officers in the follow up of applications of pesticides.

Coffee Competitions in Good Coffee Husbandry 2016/2017

In order to sensitize coffee farmers on good husbandry, NAEB in collaboration with Districts through earmarked funds, organized coffee competitions in Districts and Sectors.

Evaluation of farm management considered- weeding, mineral and organic fertilizer application, pesticides application, pruning and rejuvenation, mulching and other factors considered were delivery of coffee cherries to the CWS, possession of materials/ equipment for farm management, being a cooperative member. Prizes awarded to winners included Shears & pruning saw at cell level, Pump at sector level and Cows and wheelbarrows at district level. By the end of June 2017, five districts out of 25 had completed evaluation process and providing prizes to coffee farmers, other districts were still under evaluation process and procurement of prizes due to late delay in the disbursement of earmarked funds and some districts had not included this tender in their procurement plan.

PRIZES DISTRIBUTION IN FIVE COMPLETED DISTRICTS



Extension Service Program

Cooperatives Development

In order to improve coffee production in terms of quantity and quality, farmers are encouraged to form and join cooperatives so that they can increase their bargaining power and earn higher prices for their produce. This is achieved through the establishment of washing stations for the purpose of producing high-quality coffee that is competitive at the international markets. The number of registered cooperatives is 236 with 39,498 members, of which 25,609 are male and 13,889 female. 88 Primary cooperatives joined together to form 17 coffee unions and then Unions into RCCF. Despite cooperatives' efforts to attract members through the provision of inputs, technical advices and other incentives to farmers, membership adherence is low and slow.

Turnaround Program of Coffee Cooperatives.

This second phase of turnaround program included development of procedure manuals, business plans, training materials and modules-based on the identified needs.

Training modules have been updated and improved before the trainings of the organization during induction training for field technical advisors. Business plans template and handouts were provided to each cooperative after training. In addition, 7 booklets were printed out and distributed in all cooperatives.

Coffee cooperatives under turnaround program were supported with 23 field technical advisors to help them in advisory services. A joint meeting between these FTA and the cooperative representative was held and later, the training session on financial management, bookkeeping and business plan for accountants, managers and chairpersons was conducted.

NAEB/PRICE Project facilitated Rwanda Coffee Cooperative Federation in especially paying the salary of its business advisor and transportation allowances of cooperative union members for organization of federation meetings and trainings. For this purpose, RCCF received 5,600,000 Rwf from NAEB PRICE to cover operational costs of both quarter 1&2.

Support to coffee extension services.

Within the framework of supporting agriculture extension services in export crops, NAEB/PRICE provided 30 motorcycles and 12 motorcycles to both export officers based at district level and tea agronomists in tea cooperatives respectively.



PS MINAGRI & DCEO NAEB handing over motorcycles to the beneficiaries

Coffee washing stations development

From July 2016 to June 2017 almost 26 new coffee washing stations were constructed with the total capacity of 12,000 tons of cherries, which can contribute to increase fully washed coffee with around 93 containers. The number of CWS increased from 297 in 2017 from 271 in 2016.

To sustain the small scales coffee farmers for export competitiveness, NAEB under PRICE Project supported 15 Coffee cooperatives owned the mini-washing stations to process their coffee properly with 15 water recycling machines were installed into their washing stations in order to wash their parchment after pulping and reduce the costs of production by re-using water used before after recycling.

Primary Processing season in CWS 2017

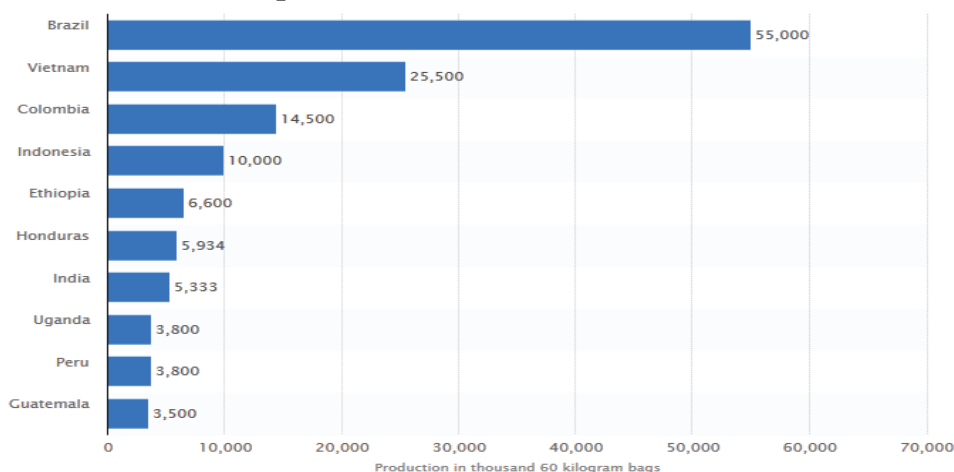
During the period July 2016 to June 2017 about 89,916 tons of cherries were received and processed by 278 Coffee washing stations that started to operate out of 297 in all Provinces. The capacity utilization rate up to date was 70% vis-à-vis the theoretical capacity of all CWS. During the 2017 processing season, 19 CWS did not operate due to the lack of working capital compared to 22 CWS in 2016.

Coffee Production

Coffee is one of the most widely consumed hot beverages all over the world, it is grown in more than 50 countries around the world, including. Brazil, the top coffee producing country, accounted for 40 percent of the global coffee supply. Vietnam, was the second largest coffee producer, accounting for roughly 20 percent of the world coffee production.

World coffee production for 2016/17 forecast 3.7 million bags higher than the previous year to 156.6 million bags (60 kilograms) as record Arabica output in Brazil more than offsets lower Robusta production in Brazil, Vietnam, and Indonesia. Global consumption is forecast at a record of 153.3 million bags, drawing ending inventories to a 5-year low, particularly in producing countries.

World coffee production 2016



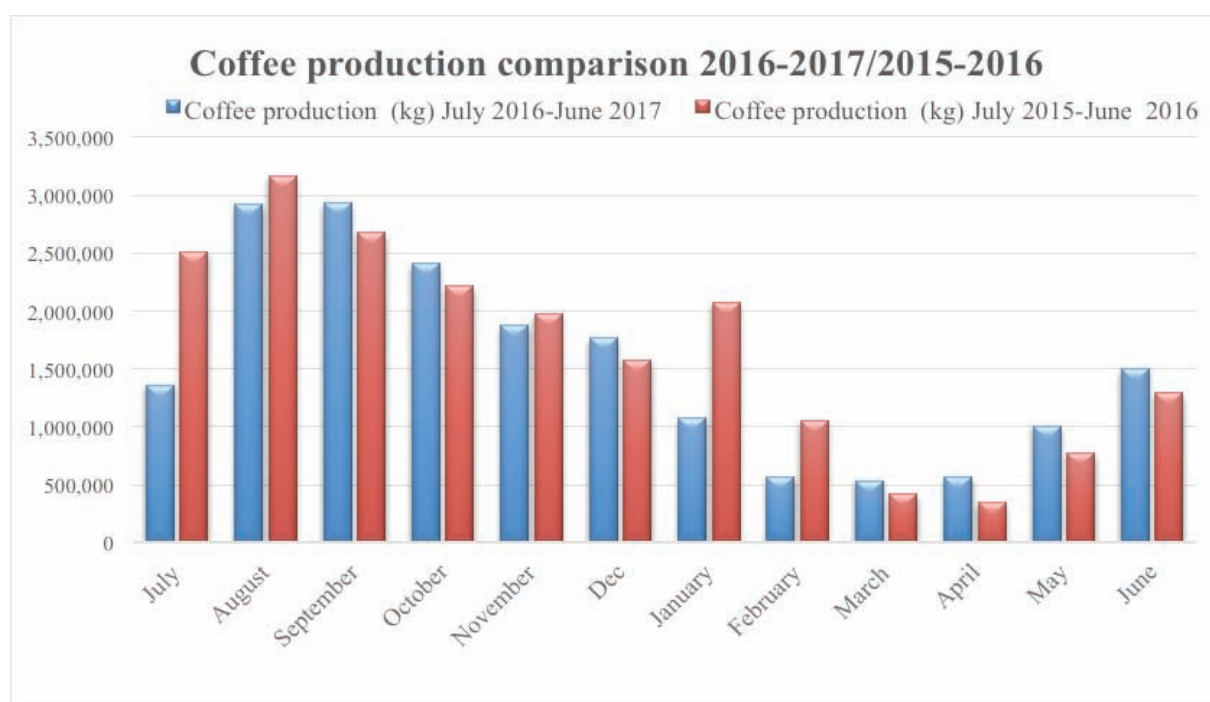
Source: www.statista.com



Green coffee production in Rwanda 2016-2017

The production of green coffee during 2016-2017 accumulated to 18,439MT which is 307 production in thousands of 60 kgs compared to 20,029MT or 334 thousands bags of 60kgs for the same period of 2015-2016 representing a decrease of 7.9%

Coffee production varies across the months where the production peak is concentrated from the months of July to December. And the coffee production of January- April is always stocks of the previous year. The month of January for 2017 registered lower production compared to the same period 2016 justified by the fact that 2016 had more coffee stocks that were not sold due to bad prices that time. The coffee production trends occur due to the cyclic nature of coffee season production where consecutive years have different yields. The highest production period is followed by less productive year.

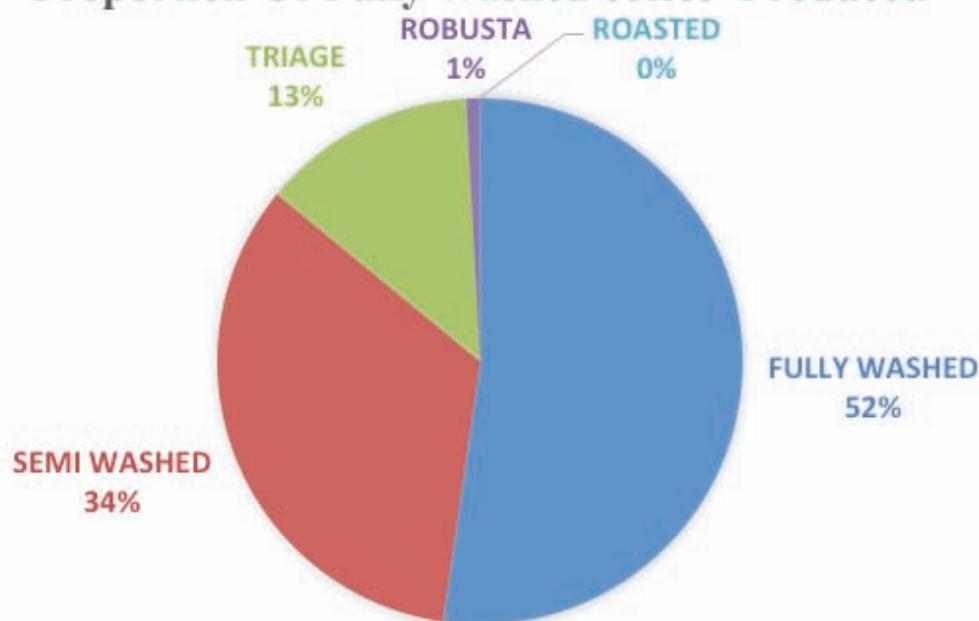


Coffee Marketing & Value Addition

Improved coffee quality and processing

To make the Rwandan specialty coffee more competitive on the international market, the country must leverage on its coffee quality. Improving coffee quality will be implemented through capacity building of farmers/cooperatives on good coffee processing techniques and re-enforcements of CWS operation. During the period under reporting, it was observed that the coffee of high value, which is fully washed, represented 52% of the total coffee produced.

Proportion Of Fully Washed coffee Produced



National Coffee appellation Project

Most of the Rwandan coffee is usually bought by blenders who mix it with coffee from other countries before it is being sold. Yet Rwanda coffee can obtain a high intrinsic value as a single origin for the end users if well developed based on their inherited quality profiles from a single origin that would be a bridge to penetrate various niche markets. Therefore, in the context of improving and promoting the Rwandan coffee to the international scene as unique and distinct product through the Coffee Brand strategies, a coffee appellation project started in 2016 and is on-going. Technical documents have been collected by the consultant, inception report developed and approved, 125 coffee washing stations identified to provide samples a cross different regions for cupping.

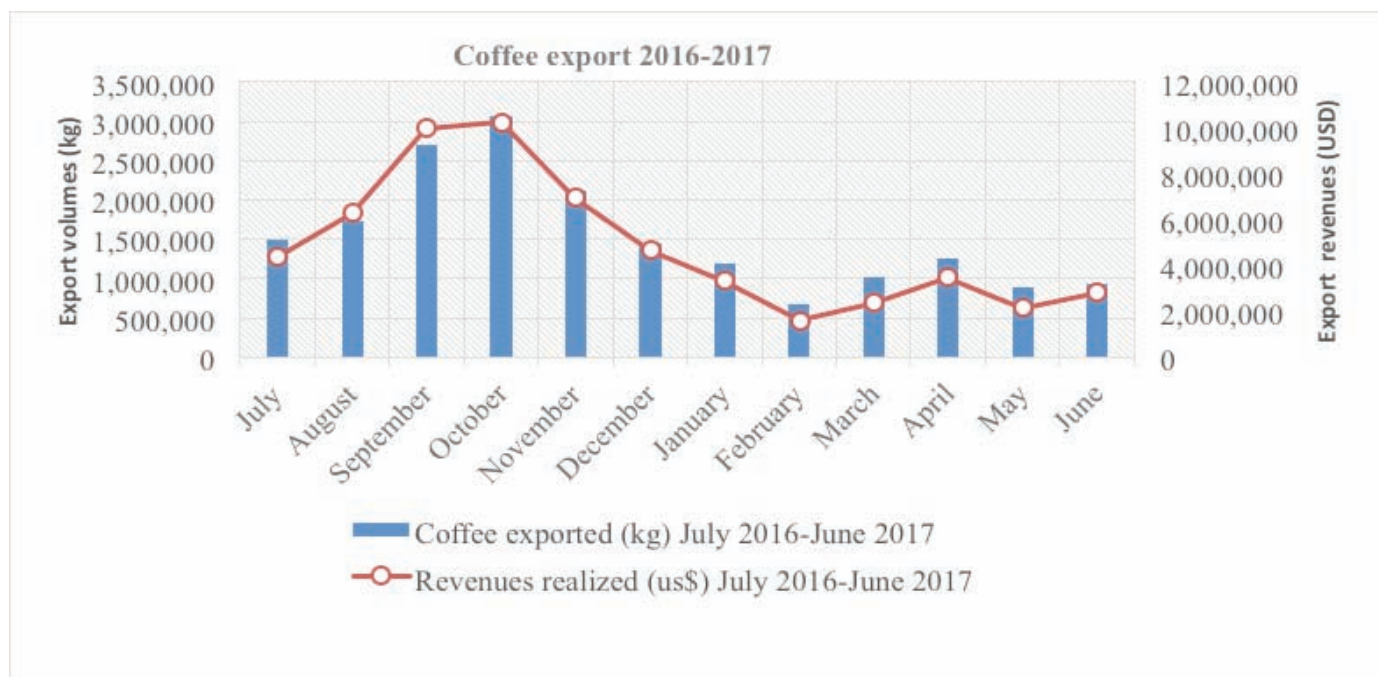
Coffee Promotions and Advertisements.

Rwanda coffee was exhibited in different countries especially in the coffee organizations that have the specialty coffee promotion as their goal. These included the African Fine Coffee Association (FCA), Amsterdam Coffee Festival (ACF) & International Café Asia, ICO meetings, SCAA, SCAE, SCAJ, Café Culture. Two Radio spots were produced together with banners and brochures. Also video programs were conducted where NAEB managers explained to the public about zoning policy and other programs related to coffee development.

Coffee exports 2016-2017

During the FY 2016-2017, an export database was reviewed and updated, where currently we are having 67 exporters. This year, 18 new codes and export licenses for the coffee exporters were issued.

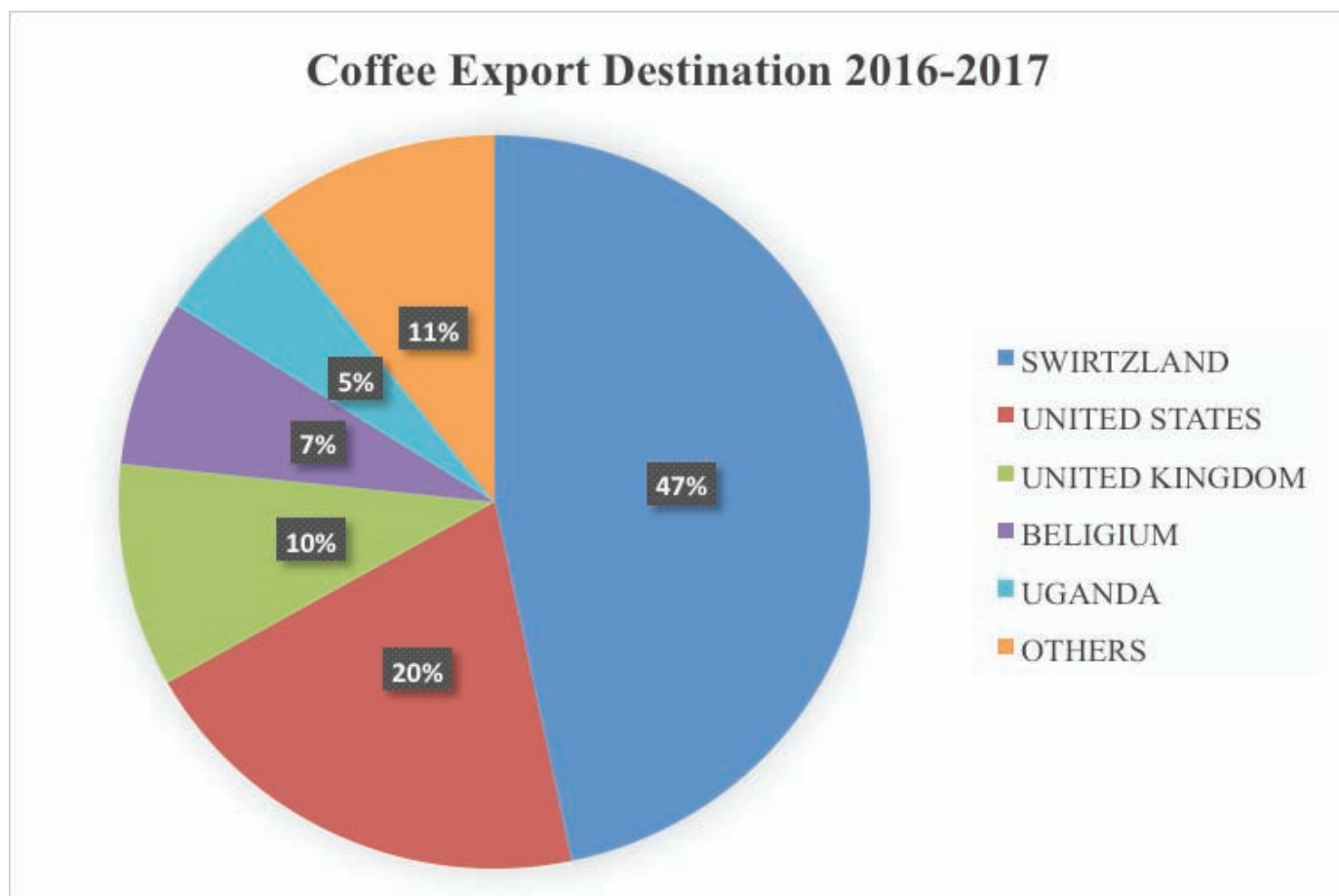
Coffee export revenues realized from July 2016 to June 2017 reduced by 3.4% from 60,718,061 in 2015-2016 USD to 58,526,023 USD. This decrease is attributed to the reduction of coffee volumes exported by 5.4% compared to the last year were exports totalled to 19,560,636 kg despite coffee average price in 2016- 2017 being good as \$3.16 USD/kg compared to \$3.10/kg in 2015/2016



During the FYI 2016-2017, Rwandan coffee prices for fully washed coffee performed above the international coffee prices for the other mild's from July to December 2016 and traded below from Jan to April 2017 while semi washed coffee traded below the international prices throughout the FY 2016-2017.

Rwandan Coffee Export destinations

The Rwandan coffee is largely exported to the European market where more than 60% were exported to EU market during 2016-2017. As in the pie chart below 47% of the coffee volumes were exported to Switzerlnd while 20% to USA, 10% to Belgium, 7% to UK. Other countries from the pie chart represents countries such as Germany, Denmark, Kenya, Norway, Poland, Singapore, South Korea, Canada and Australia that import low volumes.



Tea sector

Tea is one of the most popular and lowest cost beverages in the world, next only to water. Tea is consumed by a wide range of age groups in all levels of society. More than three billion cups of tea are consumed daily worldwide. Tea is considered to be a part of the huge global beverage market, not to be seen in isolation just as a "commodity". Africa, South America, the Near East and especially the Asian regions produces a varied range of teas, this, together with a reputation in the international markets for high quality, has resulted in Asia enjoying a share of every importing market in the world. Huge populations in Asia, Middle East, Africa, UK, EU, consume tea regularly and throughout the day.

The Rwandan tea production has recently performed well in an upward growth. The tea sector consists today of fifteen tea factories with two supply models from cooperatives and industrial blocks. Around 69% acreage is under growers' cooperatives that are into two categories cooperatives with consolidated tea blocks; the other category is out-growers with scattered individual farmers. The total surface area planted with tea at the end of June 2017 is 26,879.4 ha; however this surface area was generally estimated without appropriate tools. A tea census was conducted during this year and it is expected to give more accurate figures on area planted with tea

Rwandan tea has been witnessing an increase in production of made tea since 2007, which is mainly attributed to an efficient and integrated agricultural practices such as fertilizer application, gap filling as well as area expanded. The FY 2016-2017, the plan was to increase tea production from 25,410MT to 27,500 tons of made tea, generate USD 75.6 M from the exported teas, conduct tea expansion under private stakeholders mobilization, expropriate Rugabano, Munini and kibeho site for private investors, improve tea quality through training of tea pluckers and apply 6500MT of fertilizer.

Tea production and productivity 2016-2017

Increasing tea production is the primary objective to address the supply side of tea and reap from the increased export volumes. Interventions behind increased production are categorized in two parts- those which have short impact and those with long impact. Short yield interventions include fertilizer application, good agriculture practices such as weeding, respect of cycle plucking period in respect to skilled pluckers while interventions with long impact are expansion of area under production, gap filling.

Tea expansion 2016-2017

The Tea Expansion program 2012-2018 targets was to develop new 18,000 ha of tea plantations including 10,000 ha of new sites, 4,138 ha to complete the target of ongoing tea projects and 3,862 ha allocated to existing factories. This year 605 ha of new tea plantations were planted compared to 822 ha targeted that is an achievement of 74% compared to the targets. The low achievement is highly attributed to the fact that some cooperatives failed to obtain enough seedlings for planting and the issue of prolonged drought discouraged others to plant.

DISTRICTS	Implementer	Targets (hectares to be planted)	Achievement (hectares planted)
KARONGI	COOTHEGIM	15	9.31
	KATECOGRO	10	12.5
NYARUGURU	MUTANGANA	50	35
NYAMASHEKE	BENOIT	400	211
NYABIHU	RMT	142	176
NGORORERO	COTRAGAGI	40	21.6
NYAMAGABE	KITABI FACTORY	50	50.8
	KOBACYAMU	100	72.9
RULINDO	ASSOPTHE	15	15
TOTAL		822	605

Increased tea productivity

The productivity increase was improved by different interventions including maintenance of tea fields, weeding, pruning, respecting the plucking cycle as well as the fertilizer use in plantations.

During the FY2016-2017, the quantity of 7,985.04 MT of fertilizers was distributed and applied in the 16 tea estates. , training of tea pluckers and conducting farmer field schools in tea plantations by private factories.

Fertilizer Distribution and application

Application of mineral fertilizers contributes to production of green leaf; however it is still a challenge for some tea cooperatives to purchase sufficient required quantities due to insufficient financial capacity.

Purchase of mineral fertilizers is usually done in bulk through the Tea Fertilizers Fund except the Rwanda Tea Investment (RTI), which purchases their fertilizers through KTDA for Shagasha & Mulindi. This year, Nshili Tea Factory purchased them from YARA.

All existing tea factories assist their cooperatives to get a free interest fertilizer loan reimbursable through deductions from green leaf supplied by tea cooperatives to factories The new cooperatives use either BRD loans or their own savings. A total of 7,985.04 Metric tons of NPK fertilizers were purchased in the whole tea sector among which 6,277.72 Metric tons were purchased by the Tea Fertilizers Fund.

Tea Factory/ cooperative	Season A 2017 (Oct 2016)	Season B 2017 (March 2017)
RMT STOCK	202.15	-
Rubaya	305.3	363.45
Kitabi	328.8	341.72
Nyabihu	216.3	216.05
Rutsiro	60	74.8
Mata	304.75	330
Gisakura	316.6	272
Gatare	-	100
PFUNDA	180	255
GISOVU	316.55	342.3
SORWATHE	250	245
KARONGI+MUGANZA	250	250
NAEB/Reserve force	-	384
KATECOGRO	43.95	23.5
COOTHEGAB	34.35	28.75
MUSHUBI (MIG)	0	160
COOTHEMUKI	82.4	0
Nshili	191.25	282.65
Coopthe Mulindi	100.6	106.9
Coothevm	197.45	195.15
Umacvagi	255.34	197.68
Coopthe Shagasha	73.2	107.1
TOTAL	3.709	4.276



Maintenance of tea plantations and gap filling

Through a contract between NAEB/PRICE and Reserve Forces, the project of tea rehabilitation on 900 ha was conducted in 5 new tea cooperatives, namely KATECOGRO located in Karongi, (180ha), COTHEGAB located in Nyamagabe (180ha), RUTEGROC located in Rutsiro (180ha), COTHEGA located in Nyamasheke (180ha) and in COTHEMUKI located in Nyaruguru (180ha). The project has started in March 2016 into mentioned Districts. During this year the 384MT of mineral fertilizer were purchased and applied as follows: RUTEGROC: 99 MT, KATECOGRO: 545.5 MT, COTHEGAB: 89.4 MT, COTHEMUKI: 132.6 MT. & RUGABANO/NAEB: 8.5 MT

Cooperative	Cooperative	Reserve Force	Total gap filling	Comments
COTHEGA	3,850,000	900,000	4,750,000	350,000 seedlings (25 ha) planted in new plantations by COTHEGA
RUTEGROC	2,560,000	-	2,560,000	1,000,000 seedlings under maintenance by RF
COOTHEGAB	2,205,216	-	2,205,216	1,000,000 seedlings under maintenance by RF
KATECOGRO	832,000	-	832,000	1,000,000 seedlings under maintenance by RF 168,000 seedlings (12 ha) expansion by
COOTHEMUKI	780,000	1,000,000	1,780,000	220,000 seedlings under maintenance by COOTHEMUKI
Total	10,227,216	1,900,000	12,127,216	

In total, more than 15,400,000 seedlings targeted were maintained and transplanted along the way, 12,127,216 seedlings were transplanted as infilling, 518,000 seedlings were transplanted as expansion (37 ha), other 3,220,000 are still under maintenance;

Development of new tea sites for the expansion program

Three new tea sites are under development namely Kibeho and Munini sites in Nyaruguru District and Rugabano in Karongi District.

In order to avail land for the tea investors in the new identified tea sites, this year NAEB main activity was to finalize expropriation of land in Nyaruguru and Rugabano, resettle 300 Families and Restore Livelihood of expropriated families.

Industrial Blocs land's expropriation

A total area of 342 ha out of 438 ha targeted have been expropriated by the end of this year in Rugabano (78 %), while in Nyaruguru, Munini and Kibeho tea sites, all 816.8 ha were expropriated (100 %).

Resettlement Villages land's Expropriation and houses construction

The activity of tea expansion requires expropriation of citizens to get big area where to construct houses for the expropriated people. 44.1 ha were expropriated in Rugabano (10 ha remain) while all 30 ha were completed in Nyaruguru.

100 houses were constructed and handed over to the owners and 128 houses are under construction in Nyaruguru while 35 houses (four in one) are under construction in Rugabano.

Districts started planting grass and constructing barns for cow both in Nyaruguru and Rugabano.



Constructed houses at Munini in Nyaruguru district



Mr. Munyeshyaka Vincent, State Minister in charge of social economic development in MINALOC laying a foundation stone on the new buildings at Rugabano tea site model Village

Improve tea plucking standard and efficient green leaves analysis.



Quality tea production starts with plucking. This requires a defined bud leaf configuration called a plucking standard. The first step in making a quality tea requires adherence to the plucking standard. The objective is to get improved yield by plucking at shorter intervals and making sure of availability of pluckers at exact plucking time. Accurate plucking round and professionalism of pluckers will also be maintained. The best quality teas around the world are all harvested by hand to guarantee that the leaf is whole, undamaged, and that why only the top two leaves and a bud are picked. This year's target was to train 4500 tea pluckers across different tea factories and cooperatives. The implementation of this activity was coordinated under district-earmarked funds, where by the end of year, 4,370 tea pluckers were trained from 14 tea factories.

Training of pluckers 2016-2017

District	Factory	Number Of Trainees
Gicumbi	Muindi	300
Ngororero	Rubaya	330
Nyabihu	Nyabihu	330
Nyamasheke	Gatare	200
Nyaruguru	Mata	300
Nyamasheke	Gisakura	330
Rusizi	Shagasha	330
Rubavu	Pfunda	330
Karongi	Gisovu	250
Rutsiro	Rutsiro	330
Karongi	Karongi	350
Nyaruguru	Muganza Kivu	330
Nyaruguru	Nshili Kivu	330
Nyamagabe	Mushubi	330

Support to Tea extension services

Through the NAEB/PRICE intervention, 12 tea agronomists that are based in the tea growing zones were provided with motorcycles. This is aimed largely to facilitate agronomists to follow up farmers and provide with them information that they are always in search for so as to increase their productivity and provide them with advisory services.



MINALOC Representative handing over motorcycles to FERWACOTHE

Support to tea cooperatives

In the framework of supporting tea cooperatives to increase production, NAEB supported cooperatives by providing planting materials such as tubing, sheeting, watering cans, and sprayers etc for them to start producing themselves seedlings.

Cooperative	Tubings/Kgs	Shetings (Kgs)	Watering Cans (Pcs)	Sprayers (Pcs)	Ssp (Kgs)	Lambda (L)
COTRAGAGI	870	700	20	5	350	
COOPTHEG	1,250	1,000	10		300	
CYATO	2,500		404	7	147	
COOTHEGI	1,250		20		300	
ASSOPTHE	2,500	2,000	20			
RUTEGROC	640	200	20		400	
KATECOGR	2,500	2,000	20		370	
COTHENK	1,000	794	10		200	
COTHEGAB	3,000	2,400	26		400	
COTHEMUK	6,250	4,990	40		1,000	5
COTHEGA	640	2,800	25		200	
Total	22,400	16,884	615	12	3667	5

Gatare tea factory construction

In order to increase export of processed tea, more value addition is needed and this triggers the need to increase tea factories that process green tea. This year the target was to construct one tea factory- Gatare tea factory situated in Nyamasheke by RMT and COTHEGA. The process of construction had started and by the end of June construction were completed and installation of machines where in progress.



Improve tea plucking standard and efficient green leaves analysis.

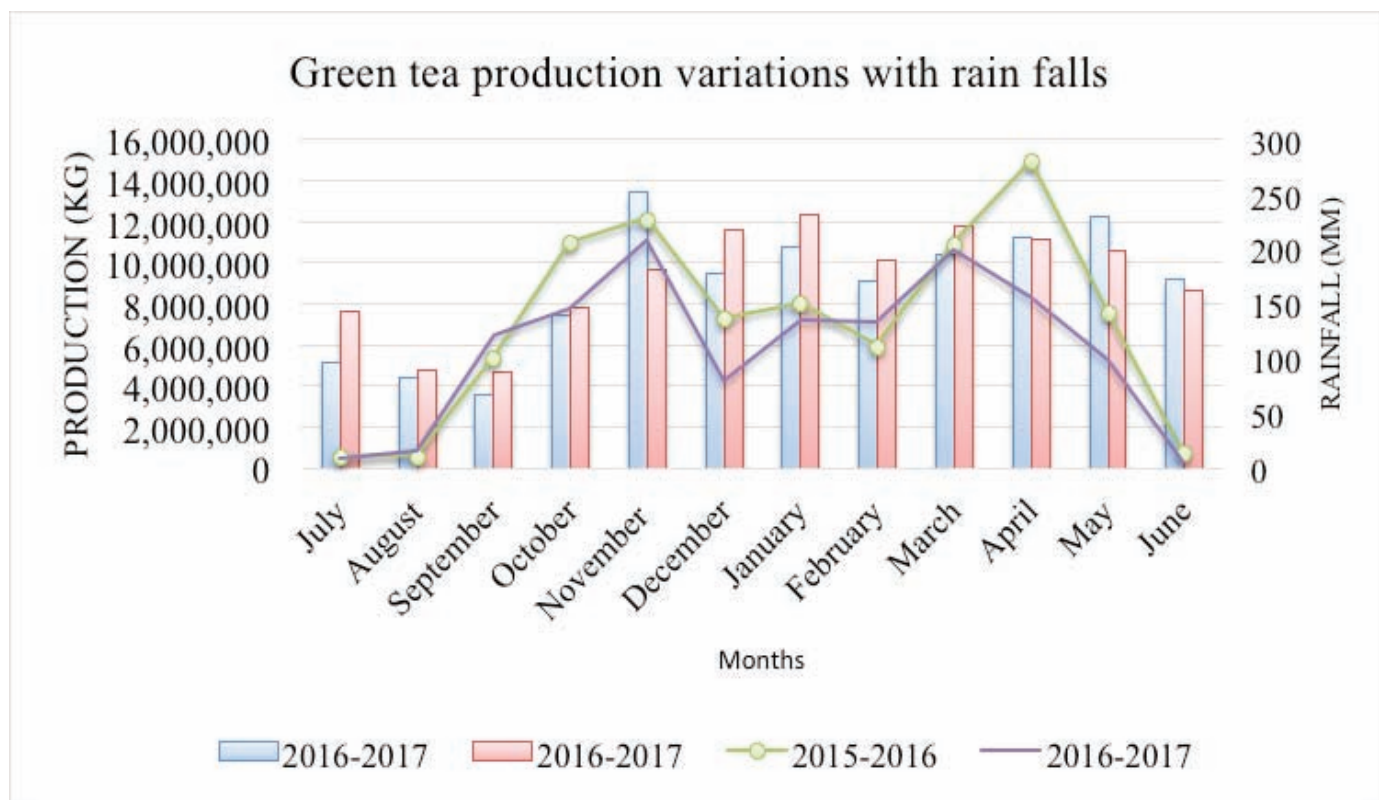
Tea Production 2016-2017

Tea production is in the form of green tea leaves which are harvested then processed into made tea for consumption. Tea production in Rwanda is practiced in 3 provinces that are western, southern and Northern where the climatic condition are ideal for tea growing. Tea green leaves are harvested on both industrial block and out grower's blocks.

Green leaf production 2016-2017

The production of green tea leaf during 2016-2017 decreased by 4% compared to the same period in 2015-2016. This low green leaf production was highly attributed to low rains where it decreased by 18% compared to the rains received in 2015-2016.

Monthly green tea production & average rainfalls in 12 pluviometric stations

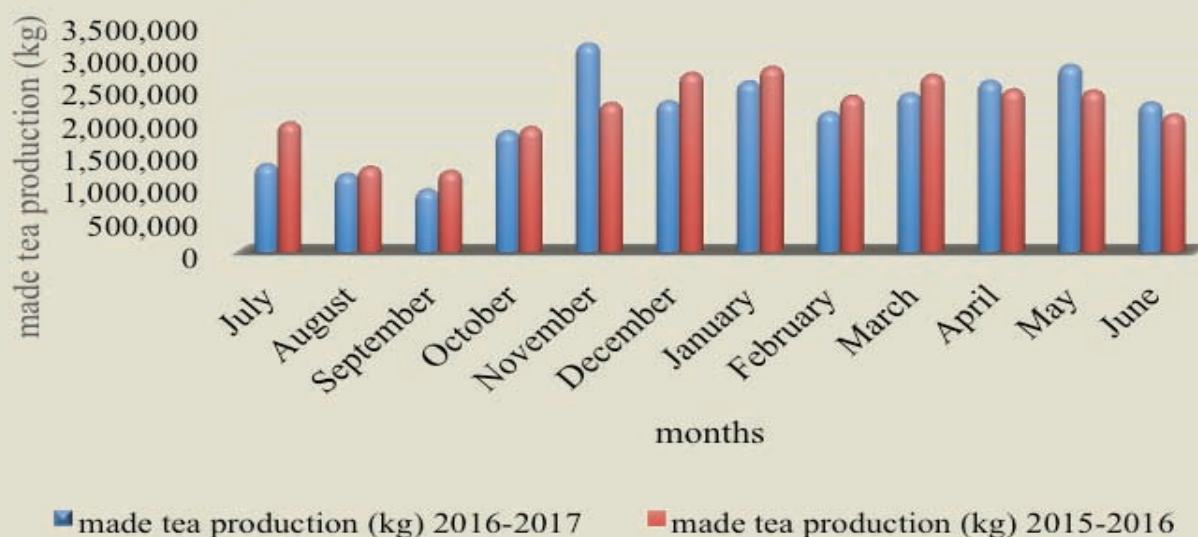


From the graph above, the rainfall received in 2016-2017 is less compared to the previous year of 2015-2016 as the rainfall monthly trends indicate. From the month of October 2015 to January 2016 the rainfall received were higher compared to the same period of 2016-2017. This impacted the quantity of green leaf produced in the subsequent months of December, January, February and March where the production was higher compared to 2016-2017 same period. The total rainfall received in 2016-2017 reduced by 18% from 1,594.7mm and the total green leaf production reduced by 4% from 111,163,281 kg in 2015-2016.

Made tea production.

The green leaves are transported to the factory from the plantation, the green fresh leaves are still entirely neutral in scent and first have to be treated in the tea factory, passing through various production steps, in order to create an aromatic tea. Made tea production are processed green tea leaves. The quantity of green tea produced will largely determine the volume of made tea produced. The decrease in the production of green leaves caused a low production of made tea. During the FY 2016-2017, made tea production decreased by 3% from 26,261MT in 2015-2016 to 25,565MT. This decrease is attributed by 4% decrease in green leaf production that was caused by other factors including reduced rainfall by 18% in tea growing areas.

Made tea production comparison

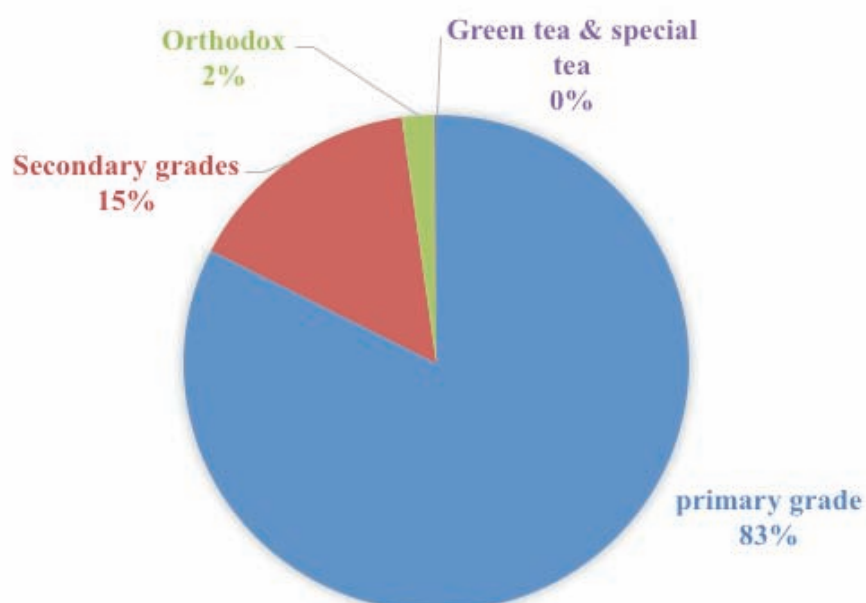


Tea processing & Value addition

Tea produced in Rwanda is dominated by black CTC tea and is produced by 15 operational factories. Other types of produced tea are green tea, orthodox tea and special tea that are produced at a low percentage or by few factories (SORWATHE, Gisovu and Rubaya).

For a better quality of manufactured tea, the sector aims at increasing primary grade production at above 80%. Primary grades are BP1, PF1, D1, PD and TMF.

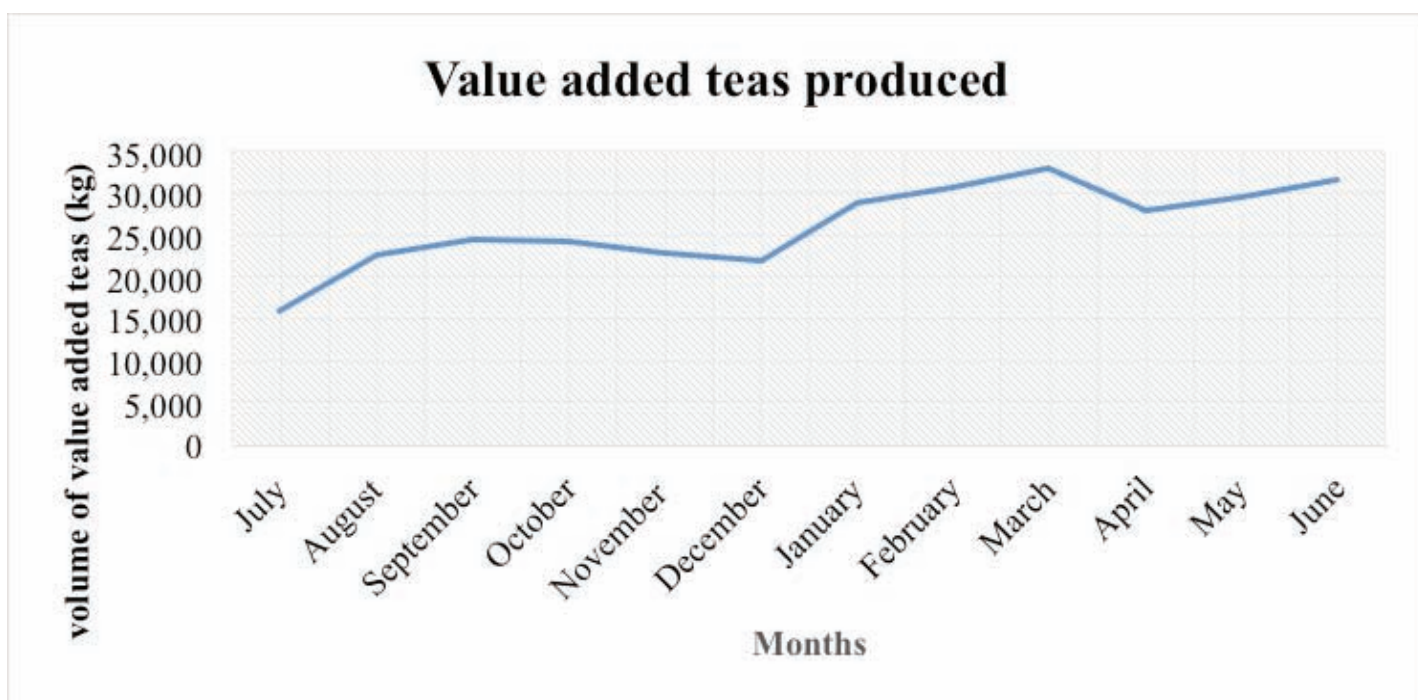
TEA VALUE ADDITION



Value addition

Value addition in tea is done by Sorwathe, Pfunda, Gisovu, Rwanda Tea Packers, Highland Tea and Damarara Tea Company. The total value added teas produced in 2016-2017 was 313,940 kg representing 1.22%. Value added teas are mainly locally sold and include; green tea (in tea bags and loose packs), black tea (in tea bags and loose packs) and spiced tea (masala tea and ginger tea) produced by Highland tea.

It is observed that at national level, value added teas percentage have slightly increased from 1.18 last year to 1.22 compared to made tea produced. Despite the increase in value added teas, it is still hampered by high packaging costs, competitive imported teas and low local consumption.

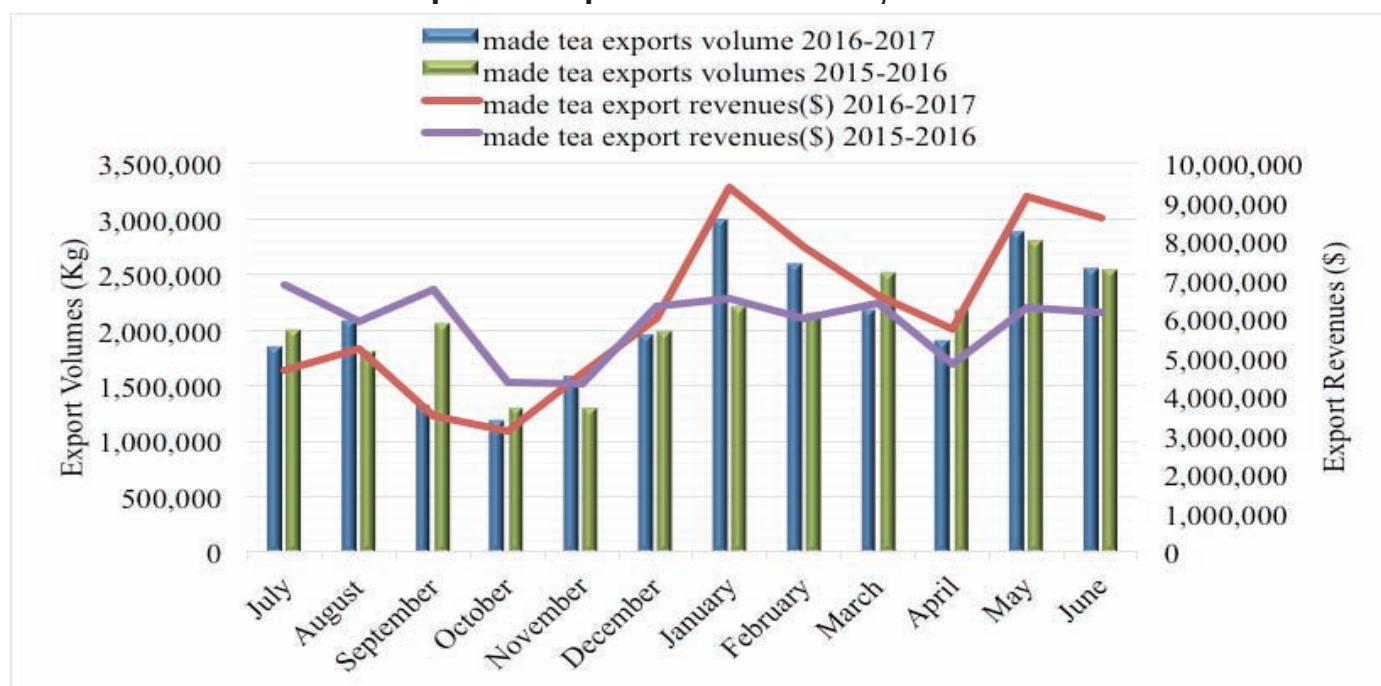


Tea Marketing & Exports Sales

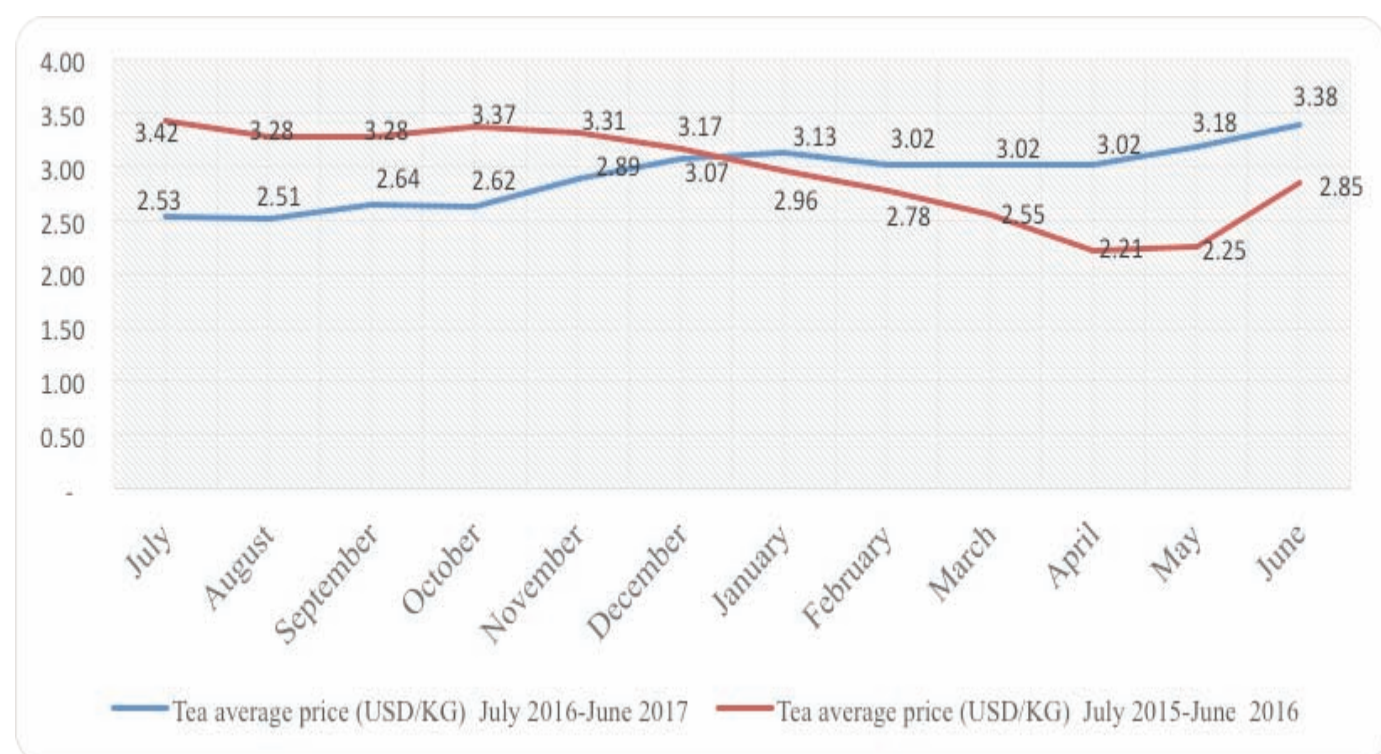
Tea sales for the year 2016-2017 were \$74.5million, compared to 70.7 million in 2015-2016. There was increase in revenues due to good prices achieved compared to previous year of 2015-2016. Some factories attained good margin notably Gisovu, Kitabi, Karongi, Mushubi and Muganza Kivu, whereas others declined in revenues like Sorwathe and Mulindi. Rwanda tea was shipped to forty (40) countries, with new markets such as Czech Republic, Macao and Bangladesh.

Amongst the tea markets for Rwanda tea, Pakistan is the leading importer having imported 47% of the total export volume followed by UK (18%), Egypt (4%) and Sudan (4%). Other countries import little quantities less than 1% of the total quantities exported and they include countries like Yemen, Bangladesh, South Africa, Malaysia etc.

Made tea exports comparison 2016-2017/2015-2016

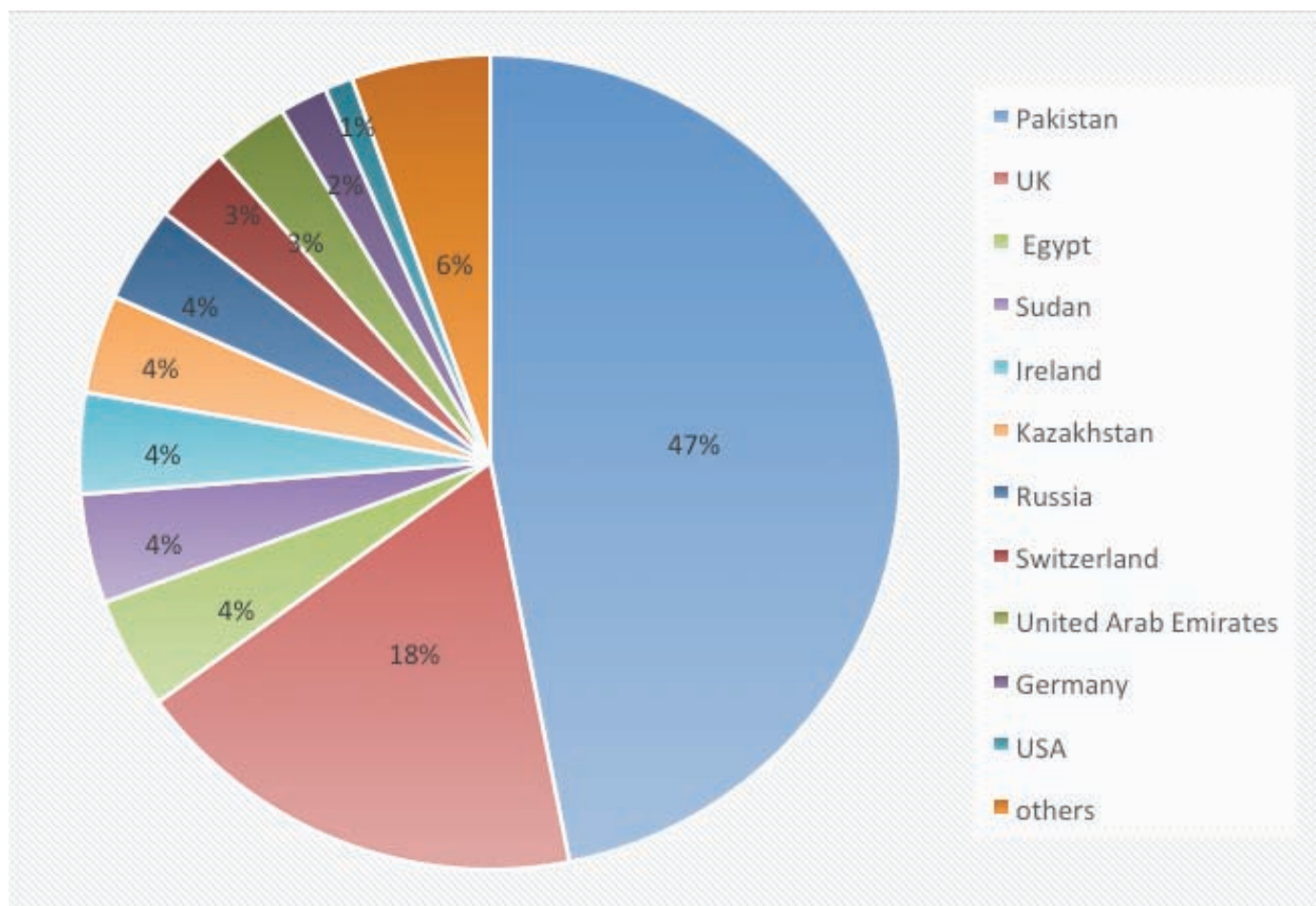


Tea export price trends 2016-2017/2015-2016 comparison.



From the figure above, the average prices of tea for the first semester of 2015-2016, were higher compared to the same period in 2016-2017, however, in the second semester, the average prices for tea in 2016-2017 increased this is particularly due to improved quality of tea.

Rwanda Tea exports by destinations 2016-2017



Horticulture development

Horticulture has been identified as a priority sector for increasing export revenue in Rwanda. Exports incomes from fresh fruits, vegetables and flowers are projected to grow manifolds to reach the expected targets. Although the sector is still nascent, an increasing number of players are entering in the sector and contributing to grow the export base. During this fiscal year the following project was develop and monitored. Gashora farm, Gishali Flower Park, Nyacyonga flower farm, Muyumbu macadamia Nursery, Packhouse and export logistics, Kigali Wholesale market for fresh produce and the Centre of excellence for horticulture. In addition to this, the Division as also implemented other activities supported by PRICE project including fruits nursery development and farmers' capacity building. The Total export target of Fruits and vegetables is 30,000 tons in 2016-2017. It is expected that to increase the volume of horticulture exports, the following activities will be implemented.

Expansion of area under fruits (avocado and mango)

During the year 2016-2017 was planned to expand area under fruits production especially where seedlings that can cover 2000ha were prepared. These seedlings were planted in the districts of Nyagatare, Gatsibo, Kayonza, Rwamagana, Ngoma, Kirehe, Bugesera, Kicukiro, Rulindo, Gicumbi, Kamonyi, Ruhango, Muhanga, Huye, Gisagara and Rusizi.

Photos showing fruits prepared under support by PRICE Project 2016-2017



Avocado rootstocks developed



Mango rootstocks developed

During the first semester by end of December, seedlings were distributed for planting. In total 240,494 seedlings were distributed and planted on approximately 1,179HA. Some seedlings were not yet mature enough to planted and needed further maintenance.

Fruits seedlings distribution and planting

Site	Seedlings received and planted (Number)			Total remained seedlings		
	Mango	Avocado	Total	Mango	Avocado	Total
Nyagatare	23,220	0	23,220	16,780	0	16,780
Gatsibo	4,086	25,000	29,086	13,914	0	13,914
Kayonza-Rukara	3,204	10,452	13,656	13,296	2,048	15,344
Kayonza-Rwinkwavu	3,338	6,387	9,725	13,162	6,113	19,275
Ngoma	10,369	10,000	20,369	14,631	0	14,631
Kirehe	8,047	10,000	18,047	16,953	0	16,953
Rwamagana	1,970	5,881	7,851	18,030	4,119	22,149
Bugesera	15,000	5,000	20,000	0	0	0
Kamonyi	0	15,040	15,040	0	4,960	4,960
Muhanga/Shyogwe	0	5,884	5,884	0	4,116	4,116
Muhanga/ Cyeza	0	2,663	2,663	0	7,337	7,337
Ruhango	0	5,058	5,058	0	4,942	4,942
Huye	0	9,814	9,814	0	186	186
Gisagara	0	20,415	20,415	0	9,585	9,585
Kicukiro	4,315	9,000	13,315	3,685	0	3,685
Gicumbi	0	10,000	10,000	0	0	0
Rulindo	0	10,000	10,000	0	0	0
Rusizi	6,351	0	6,351	13,649	0	13,649
Grand Total	79,900	160,594	240,494	124,100	43,406	167,506

Muyumbu Nursery for Macadamia seedling

On Macadamia side, seedlings are prepared by two privates companies, those are Rwanda Nuts Company and Frescho Ltd. The numbers of seedlings prepared are summarized below:

Company	Seedlings distributed to farmers	Nuts received from farmers to be processed (Kg)	Working sites
Rwanda Nuts Ltd	65000	20 000	Kicukiro District
Frescho Ltd	200 000 (rootstocks)	0	Rwamagana District
Norlega Ltd	0	12 000	Kicukiro District
Lvemp project/	25000 (rootstocks)	0	Ruhango& Nyanza
Fram gate African	10 000 (rootstocks)	0	Gasabo
	300 000	32 000	



Rwabicuma site in Nyanza District which was identified to be grown with macadamia nuts on 250 Ha in 2015, this activity was continued by farm Gate Company in collaboration with NORLEGA Macadamia Rwanda.

In the same way, Frescho Rwanda Ltd was replaced by Rwanda Nuts Company in occupying Muyumbu site to produce and disseminate the seedlings to farmers in this five coming years as indicated in the MoU signed between NAEB and Rwanda Nuts Company. The physical inventory was done before the signature of the MoU and the Rwanda nuts company is now occupying the site starting by the FY 2017- 2018. Farm gate Ltd signed an MoU with NAEB and Nyanza District for growing Macadamia on Rwabicuma site to develop one Million Macadamia trees nuts in the country, especially in Nyanza on 250 Ha.



Macadamia nuts are fruiting



NAEB official and stakeholders visited RWABICUMA

Training of farmers on Good Agronomical Practices



Pruning activity



Exchange of ideas after field practices



Mobilizing farmers on fruit trees management



Explanation to farmers on how to manage planted

Pests and diseases control of horticulture crops and farmers capacity building

56 beneficiaries' farmers growing horticultural crops having the issues of pests and diseases have been identified and advices for insect pests and diseases management on planted horticultural crops.



Pests and diseases scouting in fruit trees at Bugesera



A



B



C

(A) Leaf distortion, (B) Mosaic and mottling, (C) woody and deformed fruits.

Increasing farmers' skills through organizing, preparing and training farmers cooperatives/groups on maintenance, prevention and control of diseases and pests in horticultural crops: the 4 groups/cooperatives with total of 104 farmers planted 29,286 fruit trees (mango and avocado) have been identified and trained on integrated pests management (IPM) including good agricultural practices, pests and diseases prevention, identification and control within fruit trees plantations in addition to safe use of chemicals to control pests and diseases in fruit trees plantations.



Showing on safe use of pesticides showing farmers avocado trees need to be pruned,

At KAYONZA/Rwinkwavu



Explanation to farmers on how to manage planted fruit trees including pruning



Scouting of pests and diseases on citrus tree



Mango tree need to be pruned



Mobilization of farmers on maintenance.

Follow up the management of planted avocado seedlings:

A great number of avocado seedlings have been distributed to farmers for growing them. Some producers have low skills in management of planted fruits seedlings. For assisting them, the field visit for 19 producers having 11,312 healthy fruit trees with success rate of 80.65% in different areas where those fruit trees were planted in Ruhango, Nyanza, Muhanga and Kamonyi Districts, have been conducted by providing advices on proper management of them.



Health status of planted avocado seedlings

Support to Farmers on Control of Pest and Diseases

Beneficiaries have got support of chemicals (insecticides and fungicides) required for pests and /or diseases control in fruit trees plantations including on farm tools for plant maintenance and fertilizer as follow: 100Lts of granulose imidachloprid, 645Lts of Liquid imidachloprid, 65Kg of Metalaxyl/Mancozeb, 55Lts of Carben-dazim/Rodazim, 10kg of copper ox chloride, 30 Knapsack sprayers, 410 professional pruning sectors, 75kg of NPK liquid fertilizers and 10 Metric Wires have been provided to farmers as support.



Chemicals (Imidachloprid and Metalaxyl/Mancozeb) and on farm tools (Sprayers and Pruning Secators) provided to farmer

The Gashora Farm

The objective of the project is to interest investors in the production of key export crops where a farm will be developed as a nucleus farm. The project will be implemented on 250 ha of land in Gashora in Eastern Province District of Bugesera. The project will select varieties of vegetables based on the projected demand and quality requirement of key export markets, mainly from those of Europe and Middle Eastern Asia (Gulf) countries



Negotiations between NAEB and PRODEV Bugesera were concluded and the cabinet of 26th May 2017 approved the Joint venture. A joint venture company called SunFresh Ltd was registered with RDB. For other sites in order to increase production, farmers were mobilized to avail the land for hot pepper production. To achieve that, 46 sites Nyagatare and Gatsibo districts where hot pepper can be grown were identified, sensitized the owners to grow hot pepper. The acreage of these sites totalled 187.7 ha planted with hot pepper to export.

On farm training of vegetable growers on good cultivation practices

According to the types of vegetables, which the farmers are familiar with, the training on good agricultural cultivation practices was conducted. Five cooperatives aiming at export were trained on Vegetable Good Agricultural Practices in partnership with LWH. In addition, 180 training manuals were distributed to farmers. The training package included good cultivation practices and some notions on how to prevent and control pests and diseases of tomato, sweet pepper, eggplant, cabbage and onion and watermelon. Also, in line of extension, Hot pepper training manual was elaborated and approved.

Flower production

Expansion

This fiscal year, NAEB identified and acquired land for flower production expansion. The land was identified at Gishali Flower Park where NAEB expropriate a total of 68 ha for flower expansion. NAEB also acquired another 28 ha at Nyacyonga, a farm that was previously run by Rwanda flower. Both sites were tendered for expression of interest to interested investors in an

investors roundtable held in Nairobi Kenya in May 2017. After the roundtable, NAEB has engaged negotiation with two companies that are Bloom Hills and CallaFlex for the use of Nyacyonga farm. Bloom Hills Rwanda Ltd signed a contract for production for flowers on 10 ha while Callflex has expressed interest to start production of flowers on another 10 ha.

Rwandan floricultural export sector is under development stage with improving knowledge and experience on production, technical and marketing issues related to the flower export, not only amongst the growers, but also among Private sector and relevant stakeholders.

Gishali Flower park project

The Flower park project is established to facilitate investment in the floriculture industry.

Gishari sector (Rwamagara District) was identified to have ideal conditions in terms of altitude, existence of sufficient water and its location nearby Kigali. The project aims to be implemented on land estimated at 100ha in two phases: one for 35 ha and other one for 65ha. The project will be able to show the private sector the potential of the flower export and build the technical capacity to boost the industry. For this fiscal year, through Reserve force agreement, acquired for 28ha in Nyacyonga and 65ha in Gishali were cleared. Nyacyonga was rehabilitated and fenced while 65ha of new site Gishali Flower Park were fully acquired and fenced, Road levelling of length 4.9km is going at 85% of completion.



Rehabilitation of Nyacyonga Flower Park

The presentation on summer Flowers and sensitization by using exporters were organized with growers, potentials farmers sensitized for summer flower production and NAEB supported them to get planting materials of zantedeschia. 45ha are under summer flower production and 5 new varieties of summer flowers) were planted in order to increase summer flower production. In addition 3 areas (2 areas at Rulindo and one at Nyacyonga were identified for flower production. And 3 Draft extensions materials were produced. 10 ha were planted at Rulindo by applying irrigation system.

Marketing of Rwanda summer flower

On the marketing side, the Rwandan summer flower exporter were able to attend international exhibition where they got more contacts of different buyer's willingness to buy summer flower from Rwanda. The main objective of this participation was to secure market in the international countries to supply summer flower production.



Rwandan exporters to international exhibition

Export logistics and post-harvest handling

The Pack house and freight logistics for export

New Packhouse at NAEB was recently commissioned in February 2017 to serve in proper handling the Exportable horticulture produce. To support the central packhouse at NAEB headquarters, NAEB also supported the establishment of Vegetable washing stations was given



Packhouse in operations



Packhouse in operations

Maintenance and calibrations in all cold chain sites Airport, Kamonyi, Musanze, Rebezo, Rulindo and Naeb cold container were done effectively. Regular maintenance to all sites was performed where necessary the repairs, spare parts changes and correction of occurring defects were done properly. Rehabilitation of Kamonyi and rebezo were perfectly done.

Calibrations of equipment were done in all sites and records are well kept. Airport weighing bridge was connected to the indicator, which can print results to comply with international requirements.

Follow up implementation of ISO 9001:2008

The implementation of ISO 9001:2008- QMS, is a process whereby a close follows up in the set up and implementation of standard requirements was done mainly to the 4 multisite cooperatives and in horticulture division.

Required documentation, processes and objectives were monitored and reviewed timely and accordingly. The activity performed result to NAEB be certified ISO 9001:2008 in this fiscal year.

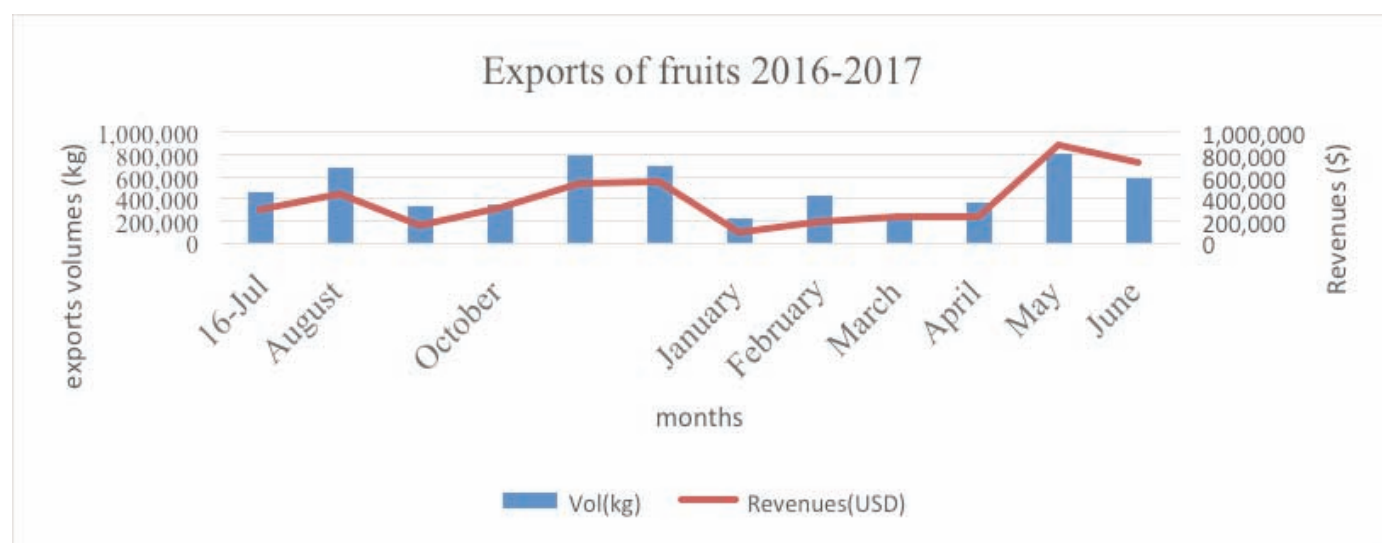
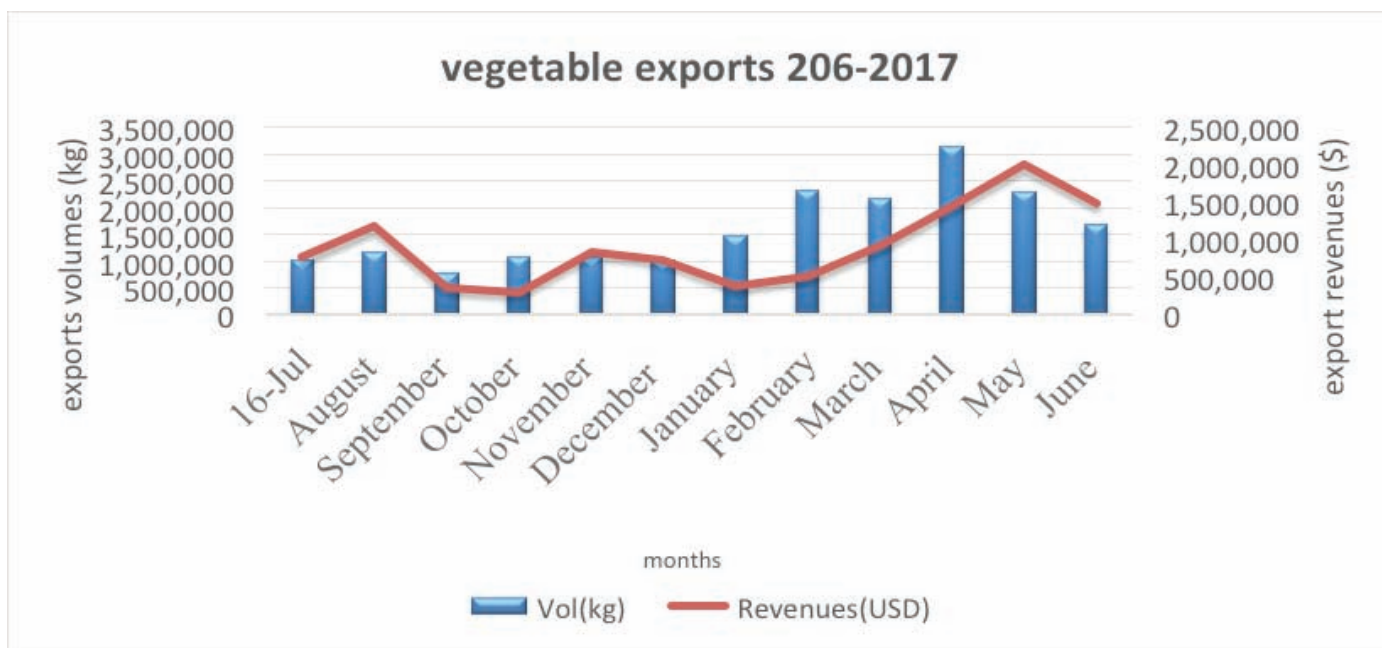
In the implementation of the QMS standards NAEB set to do evaluation of the system twice a year in addition NAEB also should be audited by the certification body to assess the compliance; through this processes deviations and nonconformities raised were reviewed, root causes were identified and corrective action to overcome the recurrence were implemented to improve the system. Major nonconformities which should lead NAEB to not be certified were sorted out efficiently.

Maintenance and calibrations in all cold chain sites Airport, Kamonyi, Musanze, Rebezo, Rulindo and NAEB cold container were done effectively. Regular maintenance to all sites was performed, where necessary the repairs, spare parts changes and correction of occurring defects were done properly. Rehabilitation of Kamonyi and rebezo were perfectly done.

Calibrations of equipment were done in all sites and records are well kept. Airport weighing bridge was connected to the indicator, which can print results to comply with international requirements.

Fruit & Vegetables Export sales 2016-2017

In the reported fiscal year the export from horticulture value chains reached 25 145.586 MT with 15,586,734 USD. By disaggregation, vegetable exports generated 11 million from the export of 19,227MT while fruits generated 4.6 million from the export of 5,918MT. Exports of horticulture is composed of formal and informal exports mainly exported to Democratic republic of Congo, Uganda and Burundi



Horticulture Post harvest & logistic

Above 110 different exporters (individual or companies) have done formal exports. Export logistics offered at Kanombe airport was allowed to do exports of above 500MT in total done by only 17 Exporters among the others. KLM, SN Brussels and Rwandair are cargo flights which have been used to carry the horticulture products to destinations.

Block Booking of Cargo space

Block booking of Cargo space activity partly done. Recruiting the service provider in cargo logistics failed due to two reasons tender processes have not received an interested company to perform the activity, second is that budget for the activity was later allocated to other urgent activities. To look other solutions, Negotiations with different carriers were initiated and as results Rwandair and KLM decided to allocate additional

Support to extension services

PRICE project supported district cash crops officers in terms of motorcycles. Those motorcycles were given on credit to be paid on salaries. All the 22 officers signed a contract and received motorcycles in April 2017 in NAEB.



Support to Districts cash crop officers

The Kigali Wholesale Market

Since July 2016, numerous meetings have been held with key stakeholders, including the Ministry of Agriculture and Animal Resources, Rwanda Development Board, City of Kigali, Ministry of Trade, Industry and East African Community Affairs, Private Sector Federation, Regional Potatoes Trading and others. Through these meetings, there has been general agreement towards the development of a Modern Wholesale Market that would be based on 7 Ha plot in the Special Economic Zone.

NAEB is working with Karisimbi Partners, in collaboration with UK-based Agri-Food Systems Expert, Optimal Consulting, and supported by AgDevCo, DFID and Enterprise for Development, is completing a Feasibility Study for the planned development of the Kigali Modern Wholesale Fruit and Produce Market. This flagship project is led by the Ministry of Agriculture and Animal Resources and follows previous pre-feasibility and design studies completed by InfraCo in 2010 and Sileshi Consult in 2015. Given the public nature of the project and limited projected returns on investment, the project will require substantial donor support in the form of grants and long-term debt

Promote market linkages of horticultural export crops between farmers and exporters

With IFC, 23 cooperatives were assessed and trained on cooperative management and marketing. This was the first training before coaching but there will be also a second training on standards. All these will help those cooperatives to be more professional and work with exporters or be exporters. After the trainings and coaching, each cooperative should have 4.5 points in reassessment

Training on cooperative management and marketing

Exporters were facilitated on packaging materials (boxes) provision for vegetables and flowers, and pack house for sorting and packing before export. In the second Quarter, 48 Members of farmers' federation (RFHC) were trained on market issues and record keeping and communication.

Some exporters have been linked with producers to increase their exported volume but the linkages are still ongoing. Especially the ones exporting chilli (Nature fresh foods, PEBEC), and avocado (Z&E, Nature Fresh Foods).



Terimbere Iys Rose, Abakundumusaruro, COAFGA, KOZAMASHYO, ICYEREKEZO and Ejoheza coops



KAMARA, TUZAMURANE, KOABANAMU, TWIHAZE KU MIRIRE



Hirwa muhinzi, KOIRWI, iyambere muhinzi, duhinge urusenda tabagwe, GWIZA and ABADASIGANA coops



AGASARO, DUHIGURE UMUHIGO, KOPEDUSHI, KOABIBIKA,

Diversification & Products Development

The Diversification of agricultural exports is the key pillar that was recommended in EDPRS II and PSTA IV (under development) to streamline the exports growth and improve the balance of payment of the country and also avoid dependency on the volatile commodity products. It is in this regards that NAEB was tasked to identify new agricultural products with export potential and ensure that they are promoted at the extent of generating the exports revenue.

The annual report is summarizing the achievements realized during the period of July 2016 to June 2017. It comprises two components mainly production and exports revenue generated in this period. The report focus on livestock, new non-traditional agricultural crops, essential oils, pyrethrum and stevia crop.

Production and post-harvest

During the fiscal year 2016/2017, there were different activities to support the production and post-harvest infrastructures to ensure the supply consistency and quality of exported products. These activities focused on pyrethrum, stevia and essential oils value chains.

Pyrethrum

Pyrethrum is among the traditional agricultural export products and contributes to the national balance of payments. During the fiscal year 2016-2017, NAEB supported farmers to improve pyrethrum production through mobilizing farmers on the use of improved and highly productive planting material with focus on seedlings instead of splits and adopting good agricultural practices such as crop rotation with food crops. The main activities consisted of:

Seedlings production

The seedlings production is the strategy to increase the production through supporting farmers with clean planting materials. Overall, 125 Ha of pyrethrum seedlings' nurseries were established including 86Ha supported by NAEB



The seedlings production was realized through contracting the local communities (via community approach tendering method) with the earmarked funds and mobilizing farmers to prepare their own seedlings with support of seeds from SOPYRWA. This activity aimed at producing the quality and healthy planting materials that can increase the productivity per unit of area. The table below shows that farmers produced their own seedlings on 39 Ha while 84 Ha of seedlings were produced under contracted local communities as follows

Source of fund/nursery	District	Target (Ha)	Achievement (Ha)
Earmarked fund/contracted	Musanze	30	30
	Burera	16	16
	Nyabihu	24	24
	Rubavu	16	14
Sub-Total1		86	84
Own home/individual nurseries	Musanze	0	11
	Burera	0	4
	Nyabihu	0	19
	Rubavu	0	5
Sub-Total2			34
Grand Total		86	125

The seedlings produced under NAEB support have been planted in different new pyrethrum areas (hors-pay-sanat) as incentives to framers for pyrethrum crop expansion while those from home nurseries were planted in different areas dominated by "paysanat" where pyrethrum is rotated with food crops especially with Irish potato crop.

Transplantation of Pyrethrum seedlings and rotation with other food crops

Compared to the annual plantation target of planting 3,584 ha of pyrethrum (2,584 Ha in rotation with food crops and 1,000 Ha in new areas), the achievement is at 84% including 2,077 Ha on rotation and 928 Ha in new areas. The total area under production is 3,005 Ha.



The Table below shows that the overall performance for pyrethrum expansion in new areas is at 93% by end June 2017

Province	District	Target (Ha)	Area planted with seedlings(Ha)	Area planted with young splits (Ha)	Total (Ha)	%
North	Musanze	450	285	67	352	78
	Burera	100	96	30	126	126
Total North		550	381	97	478	87
West	Nyabihu	350	296	32	328	94
	Rubavu	100	99	23	122	122
Total west		450	395	55	450	100
Grand Total		1,000	777	151	928	93

The target was not achieved due to different reasons such as some farmers' resistance to plant pyrethrum crop. This situation calls to put effort on farmers' mobilization on pyrethrum farming as a diversified source of household income. Pyrethrum rotation with food crops in the existing pyrethrum production areas has been achieved at 80 %.This means that out of 2,584Ha of the mapped land that was planned to be planted with pyrethrum under crop rotation, only 2,077 Ha were planted with splits and own seedlings prepared by farmers at household level.

Pyrethrum plantation status in rotation with food crops

Province	District	Target in Ha	Area planted with young splits (Ha)	Area planted with seedlings (Ha)	Area planted with old splits (Ha)	Total (Ha)	%
North	Musanze	1,109	772	58	161	991	89
	Burera	97	24	24	40	88	91
Total North		1,205	796	82	201	1,078	89
West	Nyabihu	1,067	286	22	314	622	58
	Rubavu	312	170	13	194	377	121
Total West		1,379	456	35	508	999	72
Grand total		2,584	1,252	117	708	2,077	80

The main hindrance that was attributed to unachieved target was the lack of market for pyrethrum extract, as results, SOPYRWA mobilized farmers to reduce the area under production until the market is recovered. This situation requires efforts on value addition to produce pyrethrum-based products for local and regional markets and also for import substitution.

Support pyrethrum grower cooperatives with pyrethrum flower dryers

The quality of pyrethrum extract depends on quality of produced pyrethrum flowers particular at drying stage. In this framework, two dryers with capacity of 2MT each were constructed in Musanze district, respectively in Kaguhu and Susa Cells of Kinigi Sector. The constructed dryers are operational to ensure the proper drying activities of pyrethrum flowers.



Drying facilities supported by NAEB

Farmers training



The objective of this activity was to upgrade knowledge and skills of farmers on technical know-how, Good Agricultural Practices and cooperative management. Overall, out of 500 farmers who were targeted to receive training on pyrethrum production best practices, 466 farmers were trained (93.2%) in Burera and Nyabihu. This training helped farmers to change their attitude towards pyrethrum crop and understand the pyrethrum sector as competitive and profitable farming business. The training covered different pyrethrum production best practices such seeds production, nursery establishment, pyrethrum rotation with food crops, especially with potatoes and applying recommended practices including proper spacing and application of recommended fertilizers for better crop establishment.

Dried flowers production and pyrethrum extract for export

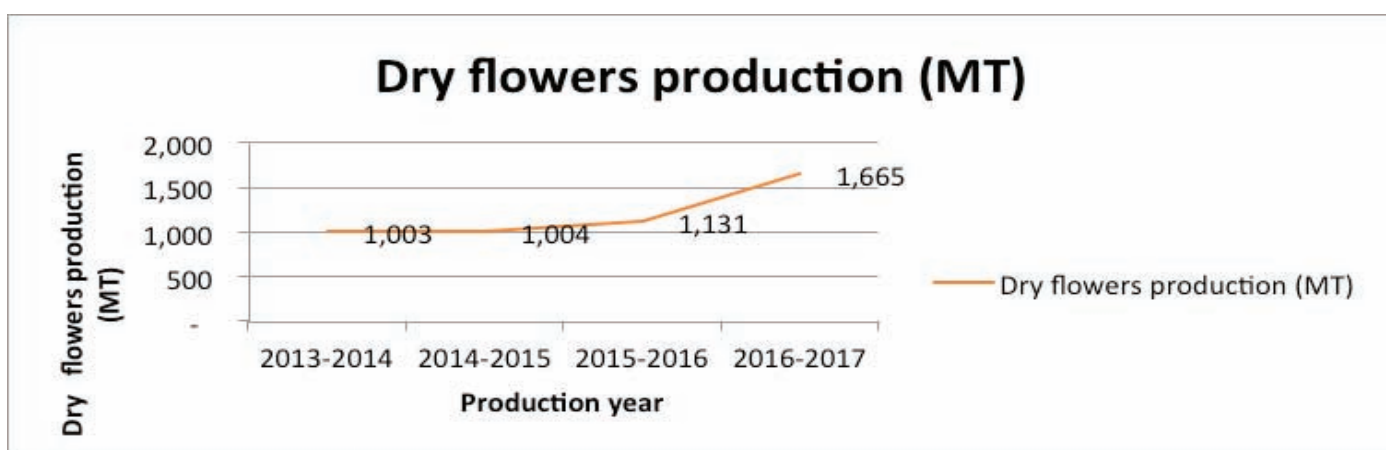
The targeted dry flowers production was 1,170 MT and the sector has registered 1,665 MT of pyrethrum-dried flowers with the annual growth of 47 % (compared with 1,131 MT in 2015/2016)

Dry flowers production per district

N ^o	District	Target (MT)	Achieved production (MT)
1	Burera	1,170	163
2	Musanze		749
3	Nyabihu		442.1
4	Rubavu		310.9
Total			1,665

This performance is a result of joint efforts invested in pyrethrum crop development such as farmers' mobilization to rotate pyrethrum with food crops, farmers training on crop production best practices, and promotion of seedlings and fertilizer use.

Though the considerable efforts, the production of pyrethrum flowers keeps increasing on annual basis as explained by the graph below illustrating pyrethrum production status for the period of 4 years, with significant increase during the last 2 years (2015 – 2017).



Pyrethrum sector Challenges

The main challenges impacting negatively to the progress of the planned activities are the following:

- Market accessibility for refined pyrethrum since 2013 associated with prices fall down due to competition and regulations related challenges that hindered the producers;
- Low productivity due to limited access to the mineral fertilizers (Triple Super Phosphate) to boost the productivity;
- Delay in payment for community members employed in pyrethrum nurseries for some districts;
- Shortage of drying facilities that may affect the quality of production.

Stevia

Land mobilization and Expansion of Stevia

In the framework of expanding Stevia plantation, NAEB supported outgrowers with seedlings to plant 60ha. The Community approach tendering method was used to produce 9,000,000 seedlings through three (3) local communities (Amatsinda) in three districts namely Ngoma, Nyanza, and Nyaruguru. SteviaLife Sweeteners Ltd, the company invested in Stevia production in Rwanda was also producing stevia seedlings to expand its plantations located in Rulindo and Kirehe Districts.



Among 17,615,000 produced seedlings, 8,445,000 seedlings are under NAEB support and other 9,170,000 have been produced by SteviaLife Sweeteners Ltd at Nyamugali/Kirehe and Ngoma/Rulindo Sites. Table below shows that 13,875,000 seedlings were planted and 4,340,000 Seedlings were still in nursery beds, It also summarizes the number of seedlings

produced per site, number of seedlings planted both for expansion and gap filling, and the number of seedlings which are still in nursery beds waiting for plantation.

Seedlings produced and number of seedlings planted per site

District	Sector	Site name	Number of expected seedlings	Total produced seedlings	Seedlings in nursery beds	Seedlings planted in expansion	Planted in gap filling	Total planted	%
Ngoma	Mugesera	Mugesera	3,750,000	3,465,000	1,260,000	780,000	1,425,000	2,205,000	92
Nyanza	Rwabicuma	Runga	3,750,000	3,750,000	1,800,000	1,950,000	600,000	2,550,000	100
Nyaruguru	Cyahinda	Cyahinda	1,500,000	1,230,000	480,000	600,000	150,000	750,000	82
Rulindo	Ngoma	Yanze		8,370,000	450,000	7,920,000		7,920,000	
Kirehe	Nyamugari	Nyamugali		800,000	350,000		450,000	450,000	
Total			9,000,000	17,615,000	4,340,000	11,250,000	2,625,000	13,875,000	

Land mobilization and Expansion of Stevia

The land mobilizations for Stevia crop was conducted in different Districts from which 512 Ha were identified. During the fiscal Year 2016/2017, new area of 85.3ha were planted at different sites in Ngoma, Kirehe, Rulindo, Nyanza and Nyaruguru Districts as per the table below.

Mobilized sites and planted area for Stevia crop expansion

District	Sector	Site name	Total area mobilized for expansion (ha)	Baseline (ha)	Total area planted in 2015/2016	Planned area to be planted in 2016/2017 (ha)	New area planted 2016/2017 (ha)	Cumulative area under Stevia (ha)
Kirehe	Nyamugali	Nyamugali	42	0	5	15	5.5	10.5
Ngoma	Mugesera	Mugesera	60	0	10	25	5.0	15.0
Nyanza	Rwabicuma	Rwabicuma	100	0	50	30	17.0	67.0
Nyaruguru	Cyahinda	Cyahinda	10	2.5	0	10	4.0	6.5
Rulindo	Ngoma	Yanze	90	0	15	20	53.8	68.8
Gasabo	Jali	Jali	5	0	1	0	0.0	1.0
Gatsibo	Kageyo	Gakeri	5	0	4	0	0.0	0.0
Bugesera	Mwogo	Rurambi	200					
Total			512	2.5	85	100	85.3	168.8

Stevia expansion progress status



Transplanted seedlings on 9.8 Ha at Mugesera site (March 2017) & Rwabicuma site /Nyanza



Stevia plantation at Yanze site in Rulindo & Cyahinda site in farm



New Stevia plantation at Cyahinda site in farm of one (Mr Ndatinya) of outgrowers on 3 Ha

Production: From July 2016 to June 2017, the total production of dried stevia leaves was 53,481 Kg from which 39,931 Kg were exported and generated USD 87,848. The sole export destination country is China to the buyer called Pure Circle Ltd. The remaining stock is equivalent at 13,550 Kg as per 30th

Sericulture

Sericulture is one of the agricultural industry involving the process of rearing Silkworms by using mulberry leaves as feed to produce silk cocoons that are processed into raw silk. Sericulture was included among the priority potential export chains and country had an ambition to promote the sector that will contribute to the development of the local textile industry (Made in Rwanda) and generate exports revenue from silk products. This report summarizes the key activities that were undertaken to revamp the silk industry during the fiscal year 2016-2017.

Mulberry plantation

The activity of plantation of mulberry trees has been done in different Districts of the country for Season A 2017 (September to January 2017) and for season B (February to May 2017). The total area planted was 809.4 Ha. The new planted area was 458.5 Ha (Season A 235.5 Ha and season B 223 Ha) and the gap filling of existing 350.9 Ha of mulberry plantations (Season A: 107.2 Ha and Season B: 243.7 Ha). Table 10 summarizes the planted area by district in both seasons (A &B)

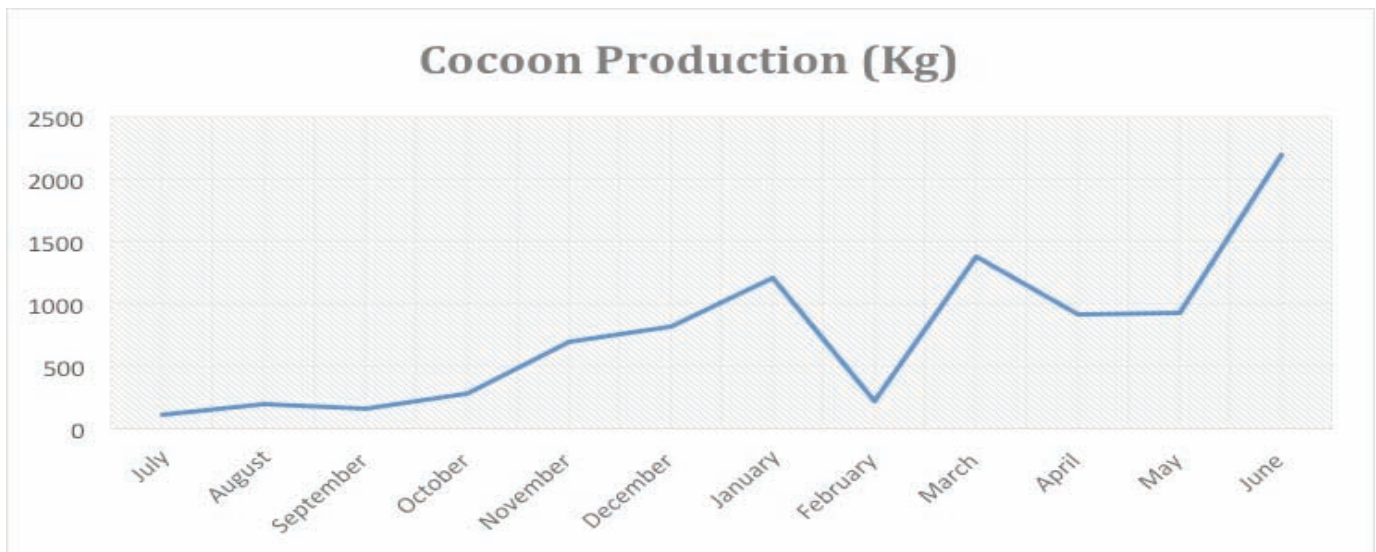
Mulberry plantation by District for season A & B

S/No	District	Season A	Season B	Total
1	Ruhango	20	21	41
2	Huye	4.5	4	8.5
3	Nyanza	2	19	21
4	Kamonyi	8	12	20
5	Muhanga	13.5	14.5	28
6	Rulindo	24.5	28.5	53
7	Burera	0	5.5	5.5
8	Gakenke	33.1	15	48.1
9	Musanze	8.5	14.8	23.3
10	Rusizi	7.5	8	15.5
11	Nyamasheke	27.5	23	50.5
12	Karongi	24.5	77	101.5
13	Ngororero	0	16	16
14	Kirehe	12.5	51.6	64.1
15	Rwamagana	39.7	43.1	82.8
16	Gatsibo	84.9	62.5	147.4
17	Ngoma	0	2.4	2.4
18	Bugesera	0	3	3
19	Rutsiro	5	30	35
20	Nyaruguru	1	0	1
21	Gicumbi	26	15	41
22	Kayonza	0	0.8	0.8
		342.7	466.7	809.4

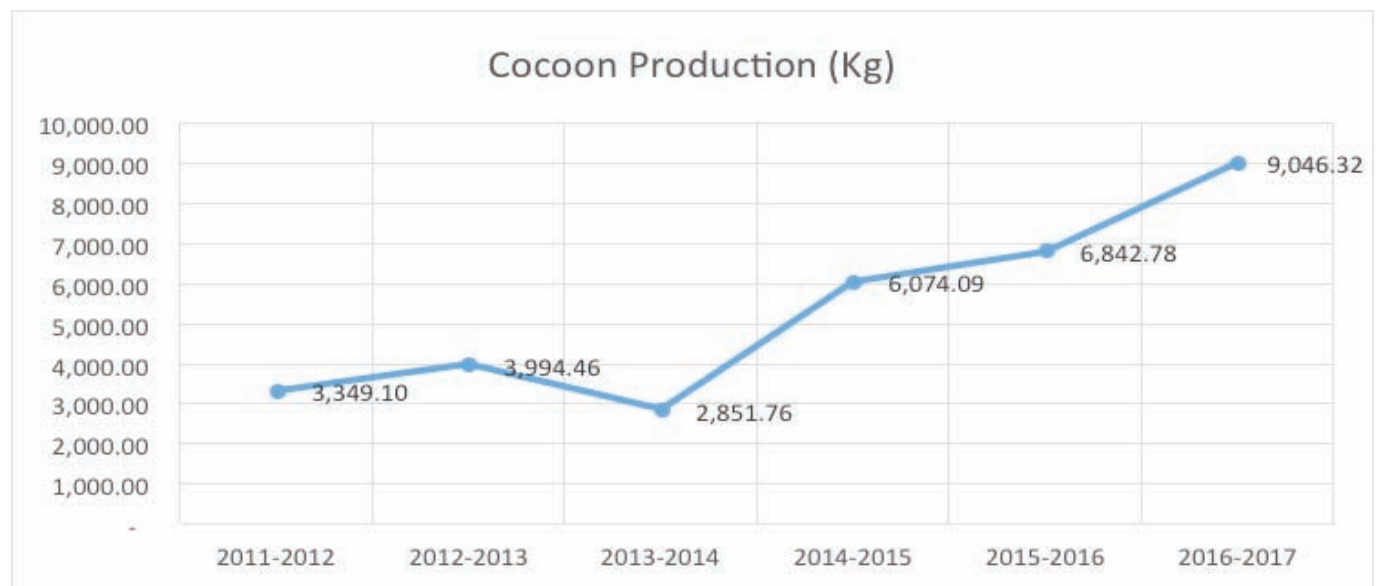
Cocoon Production (FY 2016 –2017)

The total production of fresh cocoon during this fiscal year was **9,046 Kg** from **789.5 silkworm egg Boxes** distributed to sericulture farmers and to 5 sericulture Centres. The table below shows the number of silkworm eggs boxes distributed and the production of fresh cocoons.

Cocoon production from July 2016 to June 2017



The annual production of fresh cocoons keeps increasing over time due to different improvement in place such as training farmers on feeding silkworms, maintenance of mulberry plantations, rearing many cycles per year, etc.



Famers' Mobilization

The mobilization meetings were organized in all provinces of the country. The purpose for these mobilization meetings was to meet with authorities of districts, sectors and farmers to discuss about sericulture development. The key outcomes of the mobilization campaigns were the commitment of districts to avail the land for mulberry plantation, joint effort in extension services, etc.



Sericulture trainings to farmers

During this FY 2016-17, NSC has conducted trainings at CPCs (Nyanza, Karongi and Gatsibo) and other potential districts for both farmers and local authorities (mainly staff in charge of agriculture) from Kirehe, Ngoma, Rutsiro and Karongi districts.

The trainings focused on Good Agricultural Practices (maintenance of mulberry plantations such as weeding by using hoe, gap filling, pruning, etc), nursery bed preparation, prepare cuttings from mature mother trees and how to plant those cuttings. A total of 180 farmers were conducted during these trainings



Training on Foliar application in mulberry nursery beds and weeding of mulberry trees

Rehabilitation of 3 cocoon production centres (CPCs): Nyanza, Karongi & Gatsibo

Under MOU signed between NAEB and MOD/Reserve Force the 3 sericulture centers are under rehabilitation for rearing houses and mulberry plantation.

- A total of 41 Ha out of 50 Ha were rehabilitated at the 3 Centers (Nyanza: 17 Ha, Karongi 16 Ha, and Gatsibo / Nyagahanga :8 Ha).
- Mulberry Nurseries have been prepared to produce saplings at all CPCs (Nyanza: 150,000 saplings, Karongi 15,000 saplings and at Gatsibo/ Nyagahanga : 20,000 Saplings were prepared).
- The challenge was the other crops already planted in the fields such as maize which delayed the planting activities and the remaining 9 Ha are expected to be planted in season 2018 A;



Nyanza Mulberry field before maintenance



Nyanza Mulberry field after maintenance

The rehabilitation of rearing houses at three centres was at 90% of the completion of activities and 3 rearing houses were used for rearing of silkworms of 25 boxes with 500 Kg of fresh cocoons were expected to be harvested in July 2017



Nyanza rearing house (A) before and after rehabilitation



Nyanza Rearing house (B) before and after rehabilitation



Gatsibo Rearing house before and after rehabilitation

Drainage of Karongi marshland

The canalization of marshland at Karongi was performed under contract between SPIU and MOD/Reserve Force. The marshland was canalized and the main and secondary canals have been rehabilitated to prevent the waterlogging that has been affecting the marshland and crops particularly during the rain season.



Marshland before and after canalization

Support farmers with rearing houses and equipment

A total of 8600 iron sheets were purchased to support farmers. Each farmer was supposed to get 20 iron sheets after completion of rearing house up to roofing stage. As results, 29 farmers who fulfilled conditions to have at least 6,500 mulberry trees and who completed rearing houses got support of 580 iron sheets in total.

Construction of Silk reeling Factory



HE works Rwanda Silk Ltd, a Korean private company and the National Agricultural Exports Development Board (NAEB) signing a Memorandum of Understanding (MoU) meant to boost silk industry in Rwanda.

The study for new designs for construction of silk reeling factory was completed along with the Environment Impact Assessment. The construction authorization was also secured from Prime Economic Zone Ltd.



Proposed silk factory in Kigali Special Economic Zone & 40 ends automatic silk reeling machine

The contractor has been selected 2 years ago but the construction works of the silk reeling factory is not yet started due to change of plot (3 times). After the study for designs of the factory, SPIU requested the contractor to update the prices and the contractor has updated the prices according to the study done and the updated price was 1,048,879, 000 Frw. The No Objection was sent to IFAD to request to increase the previous budget to start activity and unfortunately IFAD advised SPIU to terminate the construction contract and re-advertise the tender. The process of hiring the new contractor was initiated and is expected to be finalized by September 2017.

A 40 ends automatic silk reeling machine was also acquired to process cocoons into silk yarn.

Essential Oils

The main product in the essential oils value chain in Rwanda is the oil obtained from processing essential oil crops mainly molinga, geranium, lemongrass and patchouli.

Support production of 700,000 patchouli and 700,000 geranium seedlings



Under support from IFAD/PRICE project, the services provider was contracted to produce 700,000 patchouli seedlings, from which, 457,026 Patchouli seedlings were produced and planted at in Kayonza (Cyarubare site), Rusizi and Nyabihu districts. Under community approach, farmers in Nyabihu district also managed to

produce and plant 26,000 seedlings of patchouli; Out of 700,000 Geranium seedlings contracted, only 264,972 seedlings were prepared and planted in Ruhango and Kayonza and Nyamasheke



Planted geranium seedlings at Cyarubare site/Kayonza

Distribution of the patchouli and Geranium seedlings

Crop		Plantation location	Number of seedlings	Covered area (Ha)
Patchouli		Nyabihu	126,520	8.4
		Rusizi	167,100	11.4
		Kayonza	163,406	10.89
Geranium		Kayonza	62,832	4.18
		Ruhango	170,140	11.34
		Nyamasheke	32,000	2.13
Total	Patchouli		457,026	30.69
	Geranium		264,972	17.65

ApiExpo Africa 2016

In partnership with ApiTrade Africa, the National Agricultural Export Development Board (NAEB) organized the 5th edition of All-Africa International honey industry exposition dubbed ApiExpo Africa 2016.

ApiExpo Africa 2016 took place from the 21st to 26th September 2016 at Kigali Conference & Exhibition Village in the heart of Rwanda under the theme “Driving socio-economic transformation in Africa: the role of commercial beekeeping”. The photo below shows the layout of the venue.

Several concurrent events which include conferences, exhibitions, B2B meetings, practical training workshops and bee-match (Beekeepers' Community football match) took place at and around the same venue.

The ApiExpo Africa 2016 was officially opened by the Hon. Minister Mukeshimana Gerardine, Agriculture and Animal Resources, who thank all participants who showed up for the event. She emphasized on the role of beekeeping to improve the livelihood of rural community and also diversify the National Agricultural Exports. The photos below show the opening ceremonies of the event.



Participants during the opening ceremonies of ApiExpo Africa 2016 at Kigali Conference & Exhibition Village

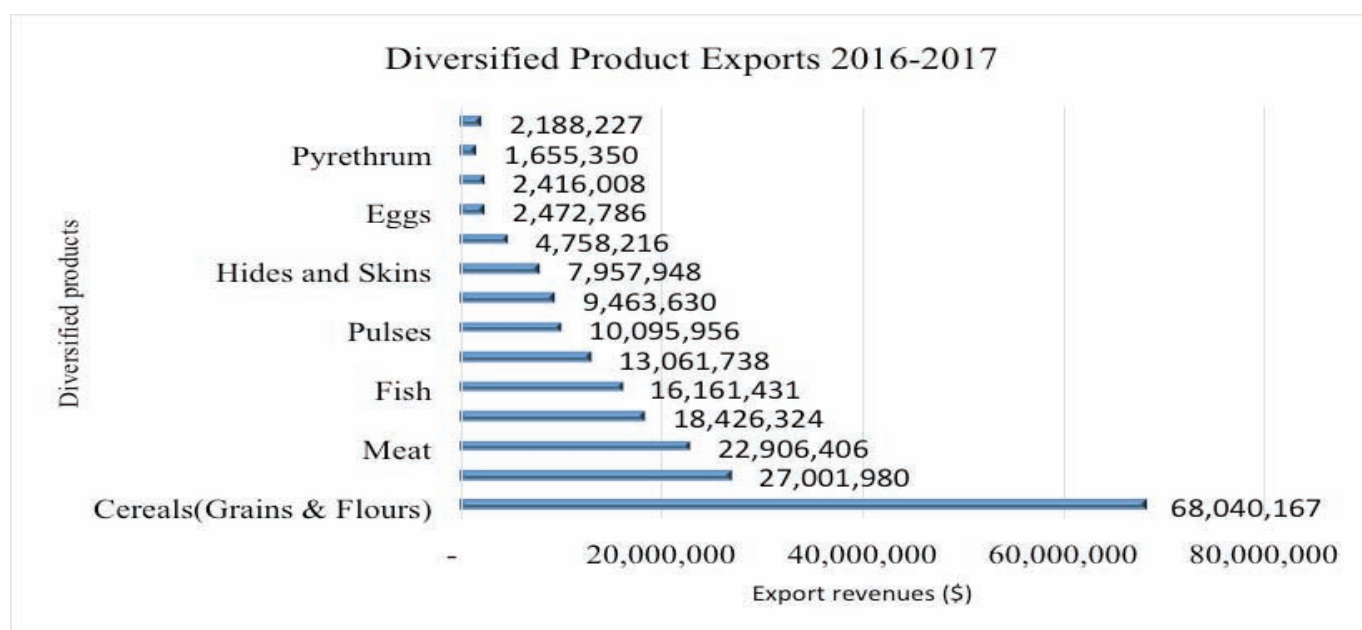
76 Exhibitors from 18 countries have exhibited different bee products in 44 exhibition booths. The main exhibits included:

- (i) Beekeeping equipment and services: beehives, value addition equipment, beekeeping clothes
- (ii) Bee products: honey, beeswax, propolis, bee venom, bee royal jelly, pollen, etc
- (iii) Processed by-products of Honeybee products: Wines; Soaps; Perfumes; Creams; Honeyed cereals, grains, nuts and other foods; Royal jelly tablets; Bee Venom therapies; Candles
- (iv) Live honey bees; Hives;
- (v) Documentaries – Videos, News bulletins, Books

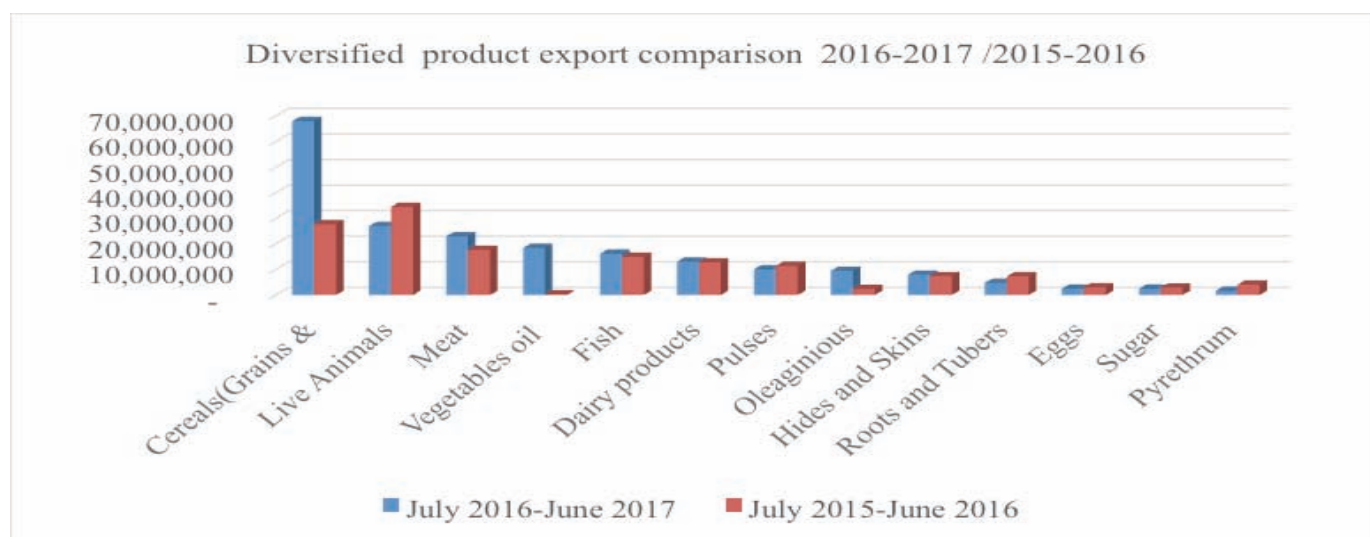


Some exhibits during ApiExpo Africa 2016 at Kigali Conference & Exhibition Village

This part illustrates achievements in terms of value of exported diversified agricultural products. The figure below summarizes and compares the annual achievements.



The above figure shows that the cereals products (flour and grains), live animals and meat chains performed well, followed by vegetable oils, fish and dairy products. The cross border trade played an important role for the registered exports growth. Cereals products are dominated by wheat products (32.4%, Rice (37.7%), Maize products (17.5%) Sorghum (4.1%) and others cereals accounts 6.3% which are exported to DRC and Burundi. Cereals accounts 33% of the total revenue exports from diversified products while livestock & its products accounts for 23%. Cereals are dominated by re-exports of wheat and rice.



The meat exports increased due to the contribution of Rugali Company Ltd that is regularly exporting beef meat to Goma/DRC

Hides and Skins: new tax regime that discourages the export of raw hides and skins

Dairy Products: Climate changes (drought) and increase of milk local consumptions

Cereals: Most of the production was used to feed refugees locally and some national restrictions to ensure the national food security

Roots and Tubers: virus disease in cassava has considerably reduced the exports of cassava flour. Lack of planting materials for Irish Potato had a huge impact for production and most of exports to the region were affected by the increase of local price with shortage of supply

Banana: due to drought in the production zones, the banana exports hugely reduced and the local price also increased from Frw 120 to Frw 250/kg. This increase in price made the exports of cooking banana less competitive

Pyrethrum international market is not improving and prices remained low for the whole fiscal year. The market entry requirements were very tough in terms of acquiring the market license (e.g. ECHA certificate, USA market license, etc). Interestingly, SOPYRWA managed to acquire the ECHA license in May 2017, that allows the company to export pyrethrum products to European Union;

Essential oils exports sharply fell down at 58% due to loss of Chinese market for Moringa grains however, the value increased by 37% due to good average prices that increased from \$8.8 to \$28/kg. The exporter experienced the financial problems that led to the company closure. The exports from geranium, patchouli and other essential oils remained low.

Corporate services Division

Human resource management

During the course of FY 2016-2017, the corporate service division that is in charge of employee management, budget management and procurement implementation tailored to achieve the institutional objectives and employee expectations. In fact, under human resource management it dealt with Staffing, Payroll, Retention and social corporate activities etc.

The division facilitated the staffs in transportation services where it hired three vehicles to support staff in fully conducting and coordinating institutional activities. The division also worked hardily to see that its employees are remunerated on time.

The division also conducted recruitment activities where 18 staffs were newly recruited this was in line to support the institution in delivering its set objectives and targets.

Recruitment status 2016-2017

s/n	Status	Number	comments
1	Total employees	137	55- contractual staff 82 permanent staff
2	Recruited staff	18	3 permanent staff 15 contractual staff
3	Employees who left the work	10	7 contractual staff 3 permanent staff

Corporate social responsibility

All stakeholders in a business seek to understand and value the mission of the company, and why they should invest and support in it. NAEB's CSR focused on ethical labour practices which involve treating employees fairly and ethically, donating to national and local charities, and Attending volunteer events such as Umuganda program, and crop season preparation with farmers.

During the FY 2016-2017, NAEB, supported the genocide survivors in kicukiro district through rehabilitation of a house that was in bad state. NAEB also donated forty million Rwandan francs to IMBUTO foundation in the support of model house for the needy ones.

In terms of employees' social activities, the NAEB social fund supported 25 staffs who had different functions ranging from marriage ceremonies, those who lost their relatives, those who gave birth were considered in as far as NAEB values are concerned.



A rehabilitated house for Genocide survivors at Gatenga sector in Kicukiro district



One of the model houses NAEB supported through Imbuto foundation in Huye district

Procurements Plan Execution

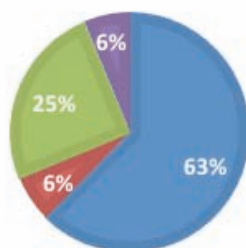
During the FY 2016-2017, NAEB had 32 tenders on its procurement plan where 32 tenders were procured and 1 tender was not procured. The table below indicates how the planned tenders were procured and executed.

Tenders	Planned tenders	Tenders procured	Tenders fully executed	Tenders under execution	Tenders still in Process	Tenders to be re-advertised
Total	32	32	25	5	1	1

Procurement Methods used

TENDERING METHODS USED 2016-2017

- Open competitive tendering method
- Simplified Tendering method
- Request for quotation tendering
- Community participation



Budget performance 2016-2017

Particulars	Financial Year 2016/17	Financial Year 2016/17	Financial Year 2016/17	Variance	Performance
	Approved Budget - Frw	Revised Budget - Frw	Actual - Frw	Frw	%
Revenue	A	A	B	A-B	(B/A)*100
Tax Revenue					
Fees, fines, penalties and licenses	483,249,891	483,249,891	541,728,972	-58,479,081	112%
Transfers from Treasury	7,709,197,287	7,709,197,287	7,059,666,880	649,530,407	92%
Transfers from other Government Reporting entities	169,880,000	169,880,000	199,880,000	-30,000,000	118%
Grants	28,468,294	28,468,294	40,432,411	-11,964,117	142%
Other revenue	70,615,703	70,615,703	180,049,446	-109,433,743	255%
Proceeds from sale of capital items	20,000,000.00	20,000,000.00	4,871,000.00	15,129,000	24%
Proceeds from borrowings					
Total Revenue	8,481,411,175	8,481,411,175	8,026,628,710	454,782,465	95%
Expenses					
Compensation of Employees	942,232,661	942,232,661	944,467,135	-2,234,474	100%
Use of Goods and Services	5,297,526,028	5,297,526,028	5,133,755,729	163,770,299	97%
Transfers to Reporting Entities	8,000,040	8,000,040	7,934,764	65,276	
Subsidies				-	-
Grants				-	-
Social Assistance	33,599,960.00	33,599,960.00	33,212,022.13	387,937.87	
Financing cost				-	-
Other Expenses	40,600,000.00	40,600,000.00	32,935,971.00	7,664,029.00	81%
Capital Expenditure	2,159,452,486.00	2,159,452,486.00	1,983,591,665.00	175,860,821.00	92%
Loans repayments	-	-		-	
Total expenses	8,481,411,175	8,481,411,175	8,135,897,286	345,513,889	96%



Development Budget performance 2016-2017

Projects	Budget approved	Disbursement	Balance as at 30/06/2017	Percentage of execution
Flower Park Project	371,552,662	371,342,216	210,446	99.94
Coffee Production Project	916,572,168	907,542,968	9,029,200	99.01
Tea expansion	2,950,105,324	2,630,841,431	2,454,434	89.18
Horticulture, Floriculture and other emerging value chains	1,367,872,633	1,055,094,555	312,778,078	77.13
Increasing pyrethrum production	14,276,783	14,266,652	10,131	99.93
Development of new agricultural value chains	233,732,483	233,132,227	600,256	99.74
Kigali Wholesale market	322,044,460	322,044,460	0	100.00
Sericulture development	345,100,872	337,630,786	7,470,086	97.84
DEVELOPMENT BUDGET	6,521,257,385	5,871,895,295	649,362,090	90.04
Operations fund	274,780,791	274,612,474	168,317	99.94
Salaries	913,159,111	913,159,111	152,193,181	100.00
RECURRENT BUDGET	1,187,939,902	1,187,771,585	168,317	99.99
TOTAL BUDGET 2016 - 2017	7,709,197,287	7,059,666,880	649,530,407	92

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**NATIONAL AGRICULTURAL EXPORT
DEVELOPMENT BOARD**