

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Uganda

Coffee Annual

Uganda reaps from new coffee plantations

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Report Highlights:

FAS/Nairobi forecasts a ten percent increase in Uganda's coffee production in the marketing year (MY) 2018/2019 due to favorable weather and harvests from newly matured plantations. Coffee exports are also forecast to rebound to MY 2016/2017 record figures. Uganda Coffee Development Authority (UCDA) continues to implement a Government of Uganda (GOU) sponsored program that promotes coffee production, marketing and export, and in early in 2018, Uganda initiated an online auction for its specialty coffees in an effort to boost prices.

Production forecast to increase

FAS/Nairobi forecasts a ten percent increase in Uganda's coffee production in MY 2018/2019 due to 1) expected favorable weather; 2) a recovery of Arabica coffees from a slump associated with biennial bearing cycle; and 3) harvests from newly matured plantations. The increase in coffee production area is attributable to a replanting program implemented by Uganda Coffee Development Authority (UCDA), which also aims at increasing yields through improved varieties, increasing the efficiency of farm inputs supply, and revamping agricultural extension services. Robusta coffee will account for about eighty five percent of Uganda's coffee production, with the rest being Arabica coffee. Uganda had a record coffee production and export performance in MY 2016/2017.

Local companies are allowed to represent international traders

In Uganda, producer organizations are responsible for aggregation and marketing of coffee from smallholder farmers while large scale plantations market their coffee directly. Higher in the value chain, locally incorporated companies are allowed to represent international coffee trading companies and to purchase coffee from the producer organizations or directly from farmers for onward processing and export. Currently there are 54 registered coffee marketing companies.

Uganda Government continues to promote domestic consumption

Domestic coffee consumption is low in Uganda and consumed about three percent of the national production. The low consumption is attributed to low purchasing power and an entrenched tea drinking culture. UCDA, with the support of the Government of Uganda, has been implementing programs to promote coffee consumption in both urban and rural areas. In addition, Uganda has 12 registered coffee plants that roast Arabica coffees for the domestic market.

Uganda's National Coffee Policy in the fifth year of implementation

The National Coffee Policy, which was launched in 2013, guides the Ugandan coffee sector. The key policy goals are 1) increased productivity; 2) coffee area expansion; and 3) coffee business environment improvement. The policy also aims to diversify coffee markets, promote sustainable production systems and value addition, increase domestic consumption, and improve Uganda's coffee research capacity.

GOU levies no tax on Uganda's coffee exports, but UCDA levies a one percent local tax on all marketed coffee.

Production, Supply and Distribution (PSD) table

| Coffee, Green Market Begin Year | 2016/2017 | | 2017/2018 | | 2018/2019 | |
|------------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|
| | Oct 2016 | | Oct 2017 | | Oct 2018 | |
| Uganda | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted | 0 | 353 | 0 | 354 | | 355 |
| Area Harvested | 0 | 0 | 0 | 0 | | 0 |
| Bearing Trees | 0 | 0 | 0 | 0 | | 0 |
| Non-Bearing Trees | 0 | 0 | 0 | 0 | | 0 |
| Total Tree Population | 0 | 0 | 0 | 0 | | 0 |
| Beginning Stocks | 210 | 210 | 160 | 560 | | 160 |
| Arabica Production | 700 | 1200 | 750 | 750 | | 800 |
| Robusta Production | 3500 | 4000 | 3600 | 3600 | | 4000 |
| Other Production | 0 | 0 | 0 | 0 | | 0 |
| Total Production | 4200 | 5200 | 4350 | 4350 | | 4800 |
| Bean Imports | 0 | 0 | 0 | 0 | | 0 |
| Roast & Ground Imports | 0 | 0 | 0 | 0 | | 0 |
| Soluble Imports | 0 | 0 | 0 | 0 | | 0 |
| Total Imports | 0 | 0 | 0 | 0 | | 0 |
| Total Supply | 4410 | 5410 | 4510 | 4910 | | 4960 |
| Bean Exports | 4000 | 4600 | 4000 | 4500 | | 4600 |
| Rst-Grnd Exp. | 0 | 0 | 0 | 0 | | 0 |
| Soluble Exports | 0 | 0 | 0 | 0 | | 0 |
| Total Exports | 4000 | 4600 | 4000 | 4500 | | 4600 |
| Rst,Ground Dom. Consum | 250 | 250 | 250 | 250 | | 250 |
| Soluble Dom. Cons. | 0 | 0 | 0 | 0 | | 0 |
| Domestic Consumption | 250 | 250 | 250 | 250 | | 250 |
| Ending Stocks | 160 | 560 | 260 | 160 | | 110 |
| Total Distribution | 4410 | 5410 | 4510 | 4910 | | 4960 |
| | | | | | | |

(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)

Coffee exports to the traditional markets expect to be sustained

More than 95 percent of Uganda coffee is exported through direct sales by more than 30 companies. However, 10 companies control more than 80 percent of the business. Italy, Germany, and Belgium remain the leading export destinations for Uganda's coffee. Whereas most of the coffee is exported to markets outside the East African Community, some of the Robusta coffee is taken for processing at the soluble coffee factory in the neighboring Tanzania, and packaged for distribution in the local and

regional markets. Coffee exports to the Sudan are also reportedly significant but actual amounts cannot be ascertained.

Leading destinations for Uganda coffee exports

| Export Destination | 2016/ 2017 | | 2017/2018 | | 2018/2019 | |
|--------------------|--------------|-----|--------------|------|--------------|-----|
| | Quantity (T) | % | Quantity (T) | % | Quantity (T) | % |
| Italy | 42,198 | 26% | 42,055 | 32% | 43,410 | 24% |
| Germany | 29,585 | 19% | 31,789 | 24% | 35,983 | 20% |
| Belgium | 16,944 | 11% | 16,909 | 13% | 16,655 | 9% |
| Spain | 10,180 | 6% | 9,849 | 7% | 13,051 | 7% |
| United States | 9,166 | 6% | 8,500 | 6% | 9,468 | 5% |
| India | 7,608 | 5% | 9,269 | 6% | 13,295 | 7% |
| Portugal | 5,676 | 4% | 6,650 | 5% | 6,661 | 4% |
| France | 7,544 | 5% | 4,590 | 3% | 4,516 | 2% |
| Morocco | 3,464 | 2% | 3,2 93 | 3% | 7,970 | 4% |
| South Korea | 3,587 | 2% | 2,534 | 2.5% | 2,803 | 2% |

Source: UCDA and GTA-imports reports