



Uganda Coffee Development Authority

# COFFEE NEWS

Your quarterly publication highlighting the activities in the Uganda Coffee Sector

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## UCDA, MoFA partner with British High Commission to promote export of processed Ugandan Coffee



### ALSO INSIDE

Uganda prepares to cash in on China's booming coffee market



Parliament Passes National Coffee Bill with Museveni's Recommendations



UCDA Distributes Organic Fertiliser to coffee farmers in Elgon region

# Congratulations

The Management and Staff of **Uganda Coffee Development Authority (UCDA)** congratulate the Minister of Agriculture, Animal Industry and Fisheries and the Ministers of State upon their appointments to the Ministry of Agriculture, Animal Industry and Fisheries. We commit to work together with you to take the coffee sub sector to the next level.



Minister of Agriculture, Animal Industry and Fisheries  
**Hon. Frank Tumwebaze**



Minister of State for Agriculture  
**Hon. Bwino Fred Kyakulaga**



Minister of Animal Industry  
**Hon. Bright Rwamirama**



Minister of State for Fisheries  
**Hon. Hellen Adoa**



## FOREWORD

By **Dr. Emmanuel Iyamulemye**,  
Managing Director - Uganda Coffee Development Authority

In behalf of the Management and Staff of UCDA I extend a warm welcome and congratulations to the Minister of Agriculture, Animal Industry and Fisheries, Hon. Frank Tumwebaze, the Minister of State for Agriculture, Hon. Bwino Fred Kyakulaga, the Minister of Animal Industry, Hon. Bright Rwamirama, and the Minister of State for Fisheries, Hon. Hellen Adoa. Together with you, we are committed to turning around the fortunes of millions of Ugandans who derive their livelihood from coffee.

I am pleased to report that in Financial Year 2020/21 the coffee sub sector rose above the year's challenges to record the highest number of exports – a total of 6.1 million 60 kg bags of coffee worth US\$ 559.26 million – in a single year in 30 years. In June alone, Uganda exported 618,388 60 kg bags of coffee worth US\$ 58.56 million. This is the highest number of exports in a single month since 1991.

The accomplishment is attributed to increased yields from newly planted coffee, favourable weather and a positive trend in global coffee. We appreciate our stakeholders including the smallholder farmers, processors, traders, roasters, exporters and consumers of Uganda coffee for this feat. My appreciation also goes out to the UCDA staff who work tirelessly to ensure that we are an agency that is firmly in control of its future and its aspiration to achieve the target of producing 20 million bags by 2025.

We expect more success through our target to build structured demand through bilateral agreements. We have just completed a coffee promotions strategy for China that will enable us to penetrate the China market. We are also targeting the UK following a stakeholder's meeting in May with coffee roasters, processors and exporters, and representatives from the British High Commission to explore opportunities for exporting processed coffee. Plans are underway to actualize the outcomes of the meeting.

Last month we launched a coffee rehabilitation programme to enhance productivity of coffee trees in the Elgon region. Over 5,000 farmers in 9 districts benefited from the programme. Better harvests mean more incomes for farmers and improved livelihoods. The programme will roll out to other parts of the country to build a culture among coffee farmers to stump old coffee trees in addition to increasing coffee production.

As we celebrate the successes we are also mindful of the challenges that came with the COVID-19 pandemic which disrupted the coffee business and our personal lives. I condole with everyone who has lost a dear one. Let us continue to observe the Ministry of Health and World Health Organisation guidelines for our safety and that of our country men and women.

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Adolf Bagonza, a Quality Assurance Officer at UCDA cups samples of coffee for export at the UCDA coffee laboratory in Lugogo

## Uganda prepares to cash in on China's booming coffee market

*Uganda, like many African countries, suffers from an enormous trade deficit with China. Last year, according to UN figures, Uganda exported just \$40 million worth of goods to China but imported more than \$1.3 billion in return.*

**T**he government is taking measures to address the problem by leveraging one of its most valuable exports - coffee.

In a recent interview with The China Africa Project, Dr. Emmanuel Iyamulemye, the Managing Director at Uganda Coffee Development Authority (UCDA), revealed that "Uganda is coming to China in a big way."

Iyamulemye revealed that Uganda's coffee first arrived in China in 2003 through a joint venture with a Chinese company.

"We have just completed a coffee promotions strategy for China. We are looking at how Ugandan coffee can penetrate the China market," Iyamulemye says.

He adds that Uganda's Coffee Roadmap of increasing coffee production from 3.5m bags to 20m bags by 2025 has been

informed by lessons worldwide in terms of the market.

"For China, we are looking at a structured demand so that we offset the imports deficit by exports," Iyamulemye reveals, adding: "With bi-lateral agreements, we believe this can happen. This is happening with Tanzania where they are growing cassava to supply starch to Chinese industries."

Asked how UCDA intends to promote Ugandan coffee without spending much, Iyamulemye said they are looking at on-line platforms targeting the youth. Online advertisement will be key, Dr. Iyamulemye says.

He adds that Uganda's focus is on high quality specialty and fine coffees.

"Our current strategy is threefold; specialty coffee-high end coffees - that means very high-quality premium coffees. We have another segment of commercial coffees for the average consumer. We are also looking at roasted and ground coffee which is our main focus so that we benefit the farmer who is producing the coffee," Iyamulemye says, adding: "If we can have co-operatives or farmer groups which are exporting roasted and ground coffee, it will be very good because money will be coming directly into the farmers' pockets."

He notes that UCDA is looking at ways of supporting the private sector to penetrate the Chinese market which will give the farmer a good place in the global trade.

"Ugandan coffee is now ranked 3rd globally in terms of quality. We have big volumes so we can consistently supply the Chinese market (unlike some African countries)," he says.

"Even if we are exporting green beans, it should attract a premium price," he says.

### Applying Best Practices

On applying best agronomic practices, Iyamulemye says there is a national coffee platform where coffee stakeholders share practices and lessons monthly.

"Because of climate change, we have realised shade grown coffee has a par-

ticular unique taste. It is also a mitigation to climate change," he says.

"Robusta is grown as a forest crop. We are looking at shade trees to intercrop with coffee which comes with unique taste and aroma. We are also looking at productivity per tree, thus stumping and post-harvest practices are key. This is increasing production and quality of coffee," he adds. Traditionally, coffee has been intercropped with bananas.

With a new coffee law coming into force soon, Iyamulemye says UCDA shall be facilitating farmers, buyers and exporters to increase production and exports whilst applying best practices.

"We shall be registering farmers for traceability purposes. We also look at certification of organic coffee growers. We want to have Ugandan coffee differentiated as unique in terms of quality and consistency," he says.

On capturing the China coffee market, the UCDA boss says they are discussing with China to have preferential treatment such as export quotas. "Our coffee shall be in the high end coffee markets in China," he emphasises.

### Farmer and Exporter Speaks Out

Frandan Tumukunde, a farmer and coffee marketing expert with extensive experience in China says the biggest challenge for Ugandan farmers is financing and as such, they are exploited by middlemen who buy coffee cheaply and sell it at exorbitant prices.

"If farmers are financed well, this will be overcome," Tumukunde, who owns a Ugandan coffee brand that sells Ugandan coffee across Asia, says.

Tumukunde says he is happy that farming practices are improving.

"Uganda is the birth place of Robusta coffee and therefore Ugandan coffee is unique from other African coffees," he says in reference to Uganda's comparative advantage.

"Uganda is well placed according to the topography and high altitude because of the Equator; thus, we are producing good quality coffee," he adds.

He says China has about 500m middle class people which Uganda can take advantage of.

**Asked how UCDA intends to promote Ugandan coffee without spending much, Iyamulemye said they are looking at online platforms targeting the youth. Online advertisement will be key, Dr. Iyamulemye says.**



A farmer picks red ripe cherries in her garden

"China is the youngest coffee market. Chinese have been drinking tea but are now shifting to drinking coffee," he says. The shift to coffee is attributed to its aroma and unique taste.

He urges Ugandans especially the youth to grow more coffee and employ the best agronomic practices.

"Youth should take on coffee farming because the market is huge. China-Africa cooperation is good. If they can extend finance to the farmers, it will be good and kick out middlemen," he says.

### Increasing coffee exports to China

Uganda is looking to China to help quintuple the volume of coffee exports over the next five years. While that may sound ambitious, it may actually be achievable thanks to the surging demand for coffee in China's largest and wealthiest cities.

China's coffee market is estimated at US\$11.5bn in annual sales and is expected to grow by 10% in the next five years.

Additionally, Coffee consumption in China is growing at between 15%-20% annually. China is also Starbucks' second largest market after the US.

Starbucks operates 4200 stores in China and plans to open up 1800 more stores in the next two years.

Analysts say most of this growth is happening in tier one cities but inland cities (tier two/three cities) are yet to embrace coffee drinking.

To highlight how huge, the Chinese market is, in May this year, the Chinese bought 15 tonnes of Rwandan coffee beans within a minute in an online auction.



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With the increasing volumes of organically grown coffee, Uganda has an advantage over other African countries to capture the China coffee market.

Coffee is by far Uganda's most important export as it generates 20%-30% of the country's foreign exchange earnings.

According to the national Coffee Roadmap, Uganda aims to produce 20m 60kg bags of coffee by 2025. This means that Uganda must look for market for the increasing coffee volumes. The China market is the new frontier.

Uganda, like many African countries, suffers from an enormous trade deficit with China. Last year, according to UN figures, Uganda exported just \$40 million worth of goods to China but imported more than \$1.3 billion in return.

The government knows this is not sustainable in the long run and is now taking measures to address the problem by leveraging one of its most valuable exports- coffee.

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Starbucks operates 4,200 stores in China and plans to open up more 1,800 stores in the next two years.

Analysts say most of this growth is happening in tier one cities but inland cities (tier two/three cities) are yet to embrace coffee drinking.

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## Trade portal simplifies coffee export process

*The export of coffee is not as complicated as many first timers think. The Ministry of Trade, Industry and Cooperatives working in partnership with Uganda Coffee Development Authority developed a simplified coffee export process through the Uganda Trade Information Portal which is available on both their websites.*

**T**he Trade information portal provides transparent and practical step-by-step guidelines to get the licenses, pre-clearance permits and clearance formalities for the export of the most traded goods – coffee inclusive.

The portal demonstrates to a coffee exporter where exactly to start and what is required. It details which office you need to go to, how long it takes and how much you need to pay. It also explains how to obtain the needed licenses and documentations.

Traders who intend to engage in exportation of coffee are required to register with Uganda Coffee Development Authority (UCDA), a body which regulates all facilities where grading and color sorting of coffee beans are carried out and inspected.

The registration is aimed at adhering to strict purposes of producing and exporting good quality coffee which meets international standards.

The portal indicates that a trader wishing to export coffee must have or must obtain a Coffee Export License from UCDA.

The trader also requires an International Coffee Organisation (ICO) Certificate of Origin for each consignment as required by the International Coffee Organisation. A quality certificate is also issued to confirm that the coffee is of



**Naume Komuhangi, Quality Assurance Officer at UCDA prepares export certification documents for clients at the UCDA office in Lugogo**

good quality and meets International standard requirements. These are issued by UCDA.

The portal also provides information on how to register a new coffee grading facility and how to obtain a performance bond which is necessary before one can obtain a coffee export license.

A phytosanitary certificate is also necessary for coffee exporters to prove that the coffee is free of regulated pests and that it meets the requirements of the importing country as stipulated in the import permit which the exporter must attach to their application for the certificate.

Coffee is one of the leading exports

of Uganda. UCDA figures indicate that exports for the calendar year (January 2020 to December 2020) totaled to 5,492,525 bags worth US\$15.94 million (approximately Shs1.902Trn), compared to 4,519,563 bags worth US\$436.54 million equivalent to (Shs1.610Trn) the previous year. This represents 22% and 18% increase in quantity and value respectively.

The Uganda Trade Information Portal is a trade facilitation platform implemented by the Ministry of Trade Industry and Cooperatives (MTIC) and the National Trade Facilitation Committee, in partnership with East African Community (EAC), Trade Mark East Africa, USAID, United Nations (UN) and International Trade Centre.

**Coffee certification procedures during COVID-19 lock down**

Following the presidential guidelines on COVID-19, which took effect on 18 June 2021, Uganda Coffee Development Authority (UCDA) has made changes in the process of certification of coffee export for the lock down period.

**1.** Requests for contract registration should be made by submitting via email a copy of the buyer contract to: Market Intelligence and Information Officer, Ms. Lillian Asiimwe on: [lillian.asiimwe@ugandacoffee.go.ug](mailto:lillian.asiimwe@ugandacoffee.go.ug)

**2.** Requests for inspection and loading coffee should be made by submitting via email a filled pre-shipment form to the following:

- Quality Assurance Officer, Ms. Judith Engena on email: [judith.engena@ugandacoffee.go.ug](mailto:judith.engena@ugandacoffee.go.ug)
- Quality Assurance Officer, Mr. Frederick Mugerwa on email: [fredrick.mugerwa@ugandacoffee.go.ug](mailto:fredrick.mugerwa@ugandacoffee.go.ug)

**“** The Uganda Trade Information Portal is a trade facilitation platform implemented by the Ministry of Trade Industry and Cooperatives and the National Trade Facilitation Committee, in partnership with East African Community, Trade Mark East Africa, USAID, United Nations and International Trade Centre. **”**

[mugerwa@ugandacoffee.go.ug](mailto:mugerwa@ugandacoffee.go.ug)

**3.** UCDA officers will carry out preliminary analysis at the exporters' laboratories (this only applies to those who have established laboratories, subject to equipment calibration verification using a reference sample by the UCDA officer). For companies without laboratories, samples will be analysed at the

UCDA laboratory at Lugogo.

**4.** The UCDA offices on Jinja road and in Lugogo will be closed to visitors including exporters' agents. All required documents – Quality Certificates (QCs) and International Certificates of Origin (ICOs) – will be delivered to the exporters by UCDA officers. Exporters are therefore expected to hand over the ICOs for the loaded containers and the tally sheets at the point of loading. Physical export certification documents for the loaded coffee will be effected on the same day while the single window clearance will be issued the following day.

**5.** UCDA officers will inspect all FAO deliveries and issue a grading certificate (FORM 5).

We urge everyone to maintain the Standard Operating Procedures based on the directives from the Ministry of Health and World Health Organisation during this period to ensure the safety of all. ●



Coffee bags ready for export

**Uganda records highest amount of coffee ever exported in a single month**

Monthly Coffee Exports for June	Value	Average weighted price
618,388 60-kilo bags	US\$ 58.56m	US\$ 1.58/kilo



**I**t is estimated that 70% of the total coffee trees under production are old and require rehabilitation. Replanting with newer, potentially more productive varieties, is underway at a rapid pace. But target yields of the new coffee, let alone the potential of the old, are unlikely to be realised without correcting the soil conditions and adopting good Fertiliser practice.

According to a recent study conducted by International Institute of Tropical Agriculture (IITA) farmers of Arabica coffee in Elgon region who used urea fertiliser to address the nitrogen deficiency in their fields, found that yield increased by an average of 36%. However, a nutrient deficiency mapping in the region confirmed that the soils lacked other essential minerals and not just nitrogen.

### UCDA rehabilitation programme

UCDA embarked on a coffee rehabilitation programme aimed at stumping old coffee trees and application of fertilisers to enhance increased productivity of coffee trees in Elgon region.

Under this coffee rehabilitation programme, the very old, unproductive or under-productive coffee trees can be rejuvenated through stumping. To get optimal benefits from rehabilitation, application of Fertilisers gives the stump a big boost to sprout and produce a good crop in subsequent years.

According to Mike Maliro, UCDA Regional Manager, Elgon, the programme is meant to achieve three objectives namely to inspire coffee farmers to stump and convert very old trees to young and highly productive status, promote and build a culture among

## UCDA Distributes Biochar Organic Fertiliser to coffee farmers in Elgon region

*Mt. Elgon landscape is a trans-boundary ecosystem that straddles Eastern Uganda covering an area of about 772,300 ha in the districts of Mbale, Sironko, Bulambuli, Bududa, Manafwa, Namisindwa, Kapchorwa, Kween and Bukwo. The Mt. Elgon region is home to the world famous Arabica coffee of Uganda. The zone is characterised by predominantly deep clay soils of medium to high productivity and very susceptible to agents of soil degradation- nutrient mining, erosion and landslides.*



Mathew Kwikiriza, Ag Regional Manager, Western, UCDA oversees distribution of fertiliser in Sironko district

coffee farmers of stumping coffee trees when they become old and less productive and apply fertilisers on stumped coffee trees to rejuvenate them with stout and highly productive stems for future crop production.

### Launching the Fertiliser Distribution Program

The Resident District Commissioner, Bududa district, Mr. George Wopuwa launched the rehabilitation campaign that is aimed at increasing productivity in the Mt. Elgon region.

The event took place at Bushika Integrated Area Cooperative Enterprise in Bududa district. He was accompanied by the LC V Chairperson, Mr. Milton Kamoti and the Chief Administrative officer, Mr. Samson Nastambwa.

Mr. Wopuwa, said the program is in line with Presidential initiatives to increase household income according to Vision 2040, the National Development Plan III and the UCDA Coffee Roadmap. He reiterated that deliberate efforts have been put in place to increase coffee production and productivity along key agricultural value chains.



UCDA staff pose for a photo after the completion of the fertiliser distribution in Elgon region

### Fertiliser beneficiaries

The beneficiaries were coffee farmers who had stumped their old trees (over 10 years), were willing and able to transport fertiliser from the regional store to their farms and were willing to apply the fertilisers as guided. They received an allocation of fertilisers equivalent to the number of trees stumped.

Coffee farmers who had stumped their coffee trees expressed demand for fertilisers either as individuals or through cooperatives or farmer organisations. Those who belong to cooperatives or farmer organisations/ associations expressed their demand through their respective institutions to UCDA through the Regional Manager.

While individual coffee farmers who did not belong to any farmer institutions also expressed their demand through the sub-county extension worker who subsequently forwarded them to the Chief Administration Officer (CAO) through the District Agricultural Officer (DAO) or District Production and Marketing Officer (DPMO).

### Summary of distribution per district

S/N	District	QTY allocated	QTY distributed to farmers	No. of beneficiaries		Total
				Male	Female	
1	Bududa	12,427	12,427	1,646	281	1,927
2	Manafwa	6,008	6,008	396	53	449
3	Namisindwa	1,143	793	262	56	318
4	Mbale	1,059	1,059	204	79	283
5	Sironko	8,326	7,011	610	119	729
6	Bulambuli	10,738	10,602	979	228	1,207
7	Kapchorwa	3,863	3,863	197	63	260
8	Kween	473	411	36	04	40
9	Bukwo	262	262	46	03	49
	Total	44,299	42,436	4,376	886	5,262

The UCDA Extension Manager, Mr. Robert Nangatsa informed the gathering that under the campaign, UCDA will train farmers on good agricultural practices such as stumping overgrown coffee trees to increase their yield. The Authority will also distribute fertilisers to coffee farmers who comply.

### The distribution exercise

UCDA procured 44,300 bags of bamboo biochar organic fertiliser for the Elgon region which is made up of the nine districts of Bududa, Manafwa, Namisindwa, Mbale, Sironko, Bulambuli, Kapchorwa, Kween and Bukwo.

The distribution of fertiliser took place from May 31 to June 5, 2021 with the participation of UCDA staff, District Local Government officials and Operation Wealth Creation officers. Although priority was given to farmers under cooperatives or farmer associations individual farmers benefited as well.

At the time of publication of this newsletter, a total of 42,436 25kg bags were distributed in all the nine districts in Elgon region benefiting 5,262 farmers (4,376 males and 886 female).



A coffee farmer in Sironko district receives 5 bags of organic fertiliser



Dr. Emmanuel Iyamulemye, MD UCDA, Andrew Ockenden, the Director Development at the British High Commission and Anne Babinaga, the Minister Counsellor at Ministry of Foreign Affairs pose for a photo with coffee roasters, processors and exporters after the meeting held at Serena Hotel

## UCDA, MoFA partner with British High Commission to promote export of processed Ugandan Coffee

*Uganda Coffee Development Authority (UCDA) is working with the Ministry of Foreign Affairs (MOFA) and the British High Commission in Uganda to facilitate and promote the export of Ugandan processed coffee to the United Kingdom (UK).*

To achieve this, UCDA held a breakfast meeting on May 9, at Serena Hotel where coffee roasters, processors and exporters discussed opportunities for Ugandan

speciality coffee in the UK market. Speaking at the event, Andrew Ockenden, the Director Development at the British High Commission said he found Ugandan coffee "fantastic" after drink-

ing it. He noted that Uganda should do more to tell the story of its quality coffee. Ockenden revealed that together with the Uganda High Commission

in London and UCDA, they will host a cupping competition/event in the UK where people will get an opportunity to taste the quality of Ugandan coffee. The competition will start with UCDA organising the event locally and the winners (best coffee) will represent Uganda in London.

"We sought ways to tell people that Uganda has the best coffee; the cupping event is the best way to do it. It will raise awareness about Ugandan coffee," Ockenden said, adding that the event will be amplified on various social media platforms.

Speaking at the same event, UCDA Managing Director, Dr. Emmanuel Iyamulemye Niyibigira said coffee

remains a top priority crop for Uganda's development, noting that the crop is Uganda's leading foreign exchange earner after gold. However, unlike gold, coffee touches millions of lives.

Iyamulemye added that the national Coffee Roadmap articulates the importance of demand and value addition by building structured demand through country-to-country deals, branding Uganda coffee and supporting local coffee business for value addition.

He noted that the UK market is critical as Uganda moves towards attaining the Coffee Roadmap target of 20m 60kg bags by 2025. Uganda's coffee exports have experienced a boom not

seen in the last 30 years, he said.

"Coffee exports hit an all-time high in March 2021 as 572,839 60kg bags were exported in a single month, the highest in the past 30 years," Iyamulemye said, adding that Uganda's coffee is ranked 3rd best in the world in terms of quality after Ethiopia and Kenya. In June, this figure shot past the 600,000 mark (see UCDA June 2021 monthly report).

"Deliberate efforts targeting emerging markets in China, Middle East and North Africa are being made," he said.

He urged coffee exporters seeking to export coffee to the UK to get more information on how to access the market via the Centre for the Promotion of Imports from developing countries (CBI) website.

He also urged coffee processors and exporters to participate in the upcoming UCDA cupping event.

Anne Babinaga, the Minister Counsellor at Ministry of Foreign Affairs said the ministry supports local producers at policy and regulatory level.

She added that through Commercial Diplomacy the Foreign Affairs Ministry finds new markets for Ugandan products. Babinaga said coffee exporters can take advantage of flights of Uganda Airlines to the UK which were set to start before the end of May.

"We have secured slots at Heathrow Airport. This will make our trade with UK easier," Babinaga said, adding that the plane will have capacity to carry 21 tonnes whenever it goes to the UK.

"It would be good if all the 21 tonnes on the Uganda Airlines aircraft were coffee," she said.

**Speaking at the event, Andrew Ockenden, the Director Development at the British High Commission said he found Ugandan coffee "fantastic" after drinking it. He noted that Uganda should do more to tell the story of its quality coffee.**



UCDA staff pose for a group photo after undergoing a training on Trade Analysis at Fairway Hotel in Kampala

## Upgrading coffee and cocoa value chains: EAC-MARKUP trains UCDA staff on Trade Analysis

*The Market Access Upgrade Programme (MARKUP) is an initiative of the EAC Partner States funded by the EU. It aims to address both supply-side and market access constraints of some of the key export-oriented sectors, focusing on exports to the EU and ACP markets. In Uganda, the programme focuses on two commodities coffee and cocoa.*

### Coffee, a strategic commodity

Coffee is one of the strategic agricultural commodities prioritised by the Government. Nearly 42% of farming households grow some coffee and coffee has contributed on average 20-30% to the country's foreign exchange earnings over the

past 20 years.

Currently, there are about 1.7 million households growing coffee in 126 out of the 146 districts in Uganda. Over the last decade, according to the Bank of Uganda, the value of coffee exports has increased by about 81%, from \$284.6m in 2010 to \$515.5m in 2020.

Equally, the volume of exports has increased by 106.6%, from 2.66 million 60-Kg bags in 2010 to 5.49 million 60-Kg bags in 2020.

However, Ugandan coffee has been unable to attract a price premium in the global market due to a lack of a brand identity. There is also low local demand for Ugandan coffee and limited "coffee culture" (i.e., the culture of valuing coffee and producing quality coffee) in Uganda.

### Cocoa production gaining traction

On the other hand, Cocoa exports have gained traction in the last ten years, increasing by 196.8%, from \$33.3m in 2010 to \$99.1m in 2020, making it the third agricultural export earner after coffee and fish. It is one of the four agricultural commodities earmarked for strategic investment.

Cocoa is successfully growing due

to the country's geographical location and agro-climatic conditions. Ugandan farmers enjoy a competitive advantage in cocoa production due to adequate rainfall and fertile soils in the cocoa-growing areas such as Bundibugyo, where 90% of the country's cocoa is grown.

Moreover, the country straddles on the equator and has general high altitudes, which reduces the incidence of pests and diseases, making cocoa potentially more competitive than the larger cocoa-producing countries like Cote d'Ivoire, Ghana, and Cameroon.

### Market challenges

Despite the growth in exports, Uganda has undifferentiated market demand, with the majority of coffee sold as a commodity to traditional markets such as Italy, Belgium, and Sudan. Though these markets have sufficed in the past, there is future opportunity in

non-traditional markets such as China, Russia, Algeria, and Morocco.

Equally, Ugandan coffee has been unable to attract a price premium in the global market, due to a lack of a brand identity.

Though local retail coffee companies which produce coffee brands such as, Omukago, Ankole Robusta Coffee, Kibinge Coffee, Elgon Pride, Great Lakes, Masaba, Savannah, Zigoti Coffee, Star Café, etc, have developed brands, they still face marketing difficulties in the local and global market, such as high marketing costs.

The Technical Assistance to the coffee and cocoa Value Chain in Uganda, an EU funded project, within the MARKUP programme, organised a trade analysis training for key ministries, departments, and agencies.

The training sessions were held over five days, starting on 26th through 30th April 2021 at Fairway Hotel in Kampala. The training had participants from Uganda Coffee Development Authority (UCDA), Ministry of Trade Industry and Cooperatives (MTIC), Uganda Export Promotion Board (UEPB), and Ministry of Agriculture, Animal Industry Fisheries (MAAIF).

### Imparting practical skills in trade analysis

The training imparted practical skills to participants in nine trade analysis thematic areas, namely:

- 1) The WTO and her role in Global Trade
- 2) The General Agreement on Tariffs and Trade (GATT) and other key WTO trade agreements: Market access for goods, Tariffs, Non-tariff measures, Rules of origin, Safeguard measures, Sanitary and phytosanitary measures, technical barriers to trade, trade facilitation
- 3) Regional trade Agreements (Economic Communities)- EAC, COMESA, Tripartite, AfCFTA
- 4) Tariff and Non-Tariff Trade Barriers in the coffee and cocoa Value Chains
- 5) Understanding the coffee and cocoa global markets
- 6) Competitiveness of the Ugandan coffee and cocoa chains
- 7) Geographic Indications in coffee and cocoa Value Chains
- 8) Price Risk Management -coffee and cocoa Value Chains
- 9) ITC Market Tools and their applicability and usage by UCDA Staff.



Mr. Gordon Katwirenabo, National Coordinator of the EU EAC MARKUP project and UCDA Quality Assurance Officer in a cocoa farm in Bundibugyo. Cocoa is the third largest agricultural export earner for Uganda after coffee and fish.



# UCDA marching towards a functional market surveillance system to improve Uganda's coffee and cocoa exports

*Market experts have called for the establishment of a functional coffee and cocoa market surveillance system to improve exports and enhance the value Uganda gets from these two priority commodities.*

**T**his call came during a five-day market surveillance training for staff of Uganda Coffee Development Authority, Ministry of Trade, Industry, and Cooperatives (MTIC), Uganda Export Promotions Board (UEPB) and Ministry of Agriculture, Animal and Industry.

James Kizito, market intelligence, and information manager, UCDA noted that the training provided good insights on the development of market surveillance tools to capture data at farms, primary processing, exports, roaster, and café levels to enable the timely collection, analysis, and dissemination of market-related information.

"The development and implementation of the market surveillance system for the coffee and cocoa commodities is important and should be prioritised in the next phase of the EU EAC MARKUP project. The development of a functional web-based system that facilitates the collection and dissemination of information on production and key markets will go a long way in increasing exports of coffee and cocoa," James said.

The training organised by the EU EAC MARKUP program is part of the capacity-building initiatives implemented under the EU-supported program to support various actors and institutions in the value chain to better deliver on the marketing of Uganda's coffee and

cocoa in international markets.

coffee and cocoa commodities play an important role in the livelihood of Ugandans and have contributed substantially to the national economy through foreign exchange earnings over the years.

The two commodities are identified as priority products under national programs such as Vision 2040, NDP III, MAAIF's ASSP, MFPED's MTEF, NEDS, and Government's Prosperity for All (PFA).

In terms of export destinations, coffee and cocoa are largely exported to the European Union on the futures markets where prices are determined



**James Kizito, Market Intelligence, and Information Manager, UCDA hands over a token of appreciation to Moses Mabala, the lead trainer**

under contract arrangements. The London International Financial Futures and Options Exchange (LIFFE), Robusta coffee futures and Inter-Continental Exchange (ICE), Arabica coffee futures for coffee and the New York Mercantile Exchange (NYMEX), and the Intercontinental Exchange (ICE) in London for cocoa are some of the futures markets where the two commodities are traded.

EU EAC MARKUP project supported a market surveillance training towards enhancing the competence and use of decision-making tools of UCDA staff targeting the Directorate of Strategy and Business Development Services and other Trade and Investment Support Institutions (TISIs) such as Uganda Export Promotion Board (UEPB), Uganda Coffee Federation (UCF), Ministries of Agriculture, Animal Industry and Fisheries and Trade, Industry and Cooperatives (MTIC).

The training aim was to support staff in the agencies to deliver a better service in market information and advice regarding the marketing of coffee and

cocoa commodities.

The market surveillance training emphasised the importance of futures markets and how their prices trickle down to the Ugandan farmer. The training was aligned with the national priorities in terms of focus on priority markets, the role of market surveillance in enabling the realisation of national policy targets, and how it helps policy implementation.

Participants trained on Market analysis tools, Market profiling, Market information sources, Market Analysis, Branding strategies, and the use of case studies for benchmarking.

The training comprised six modules: Understanding the strategic direction of Uganda's coffee and cocoa sector focusing on National policy frameworks, Global dynamics of coffee and cocoa beans trade, Market surveillance in the coffee and cocoa business, Introduction to market analysis tools, Market surveillance system (MSS), Branding and market positioning plan for coffee and cocoa.

## Designing a market surveillance system

Moses Mabala, the lead trainer noted that market access requirements in both coffee and cocoa are similar. A market surveillance system that traces the origin of both commodities responds to the contemporary demands of a modern export market.

In both value chains, market information needs are very similar. The constraints related to the development of information systems are also the same. Proposing a market surveillance system that attempts to address market information needs for both commodities is not only ideal but will go a long way in addressing market information access challenges.

## Branding Uganda Coffee on the international market

During the training, participants were informed of the need for Branding Uganda's coffee and cocoa on the international Markets. This will help Uganda capture market share in emerging markets such as Russia and China.

While making a presentation on how Ethiopia has branded and marketed its coffee to the world, Laura Walusimbi, Corporate Communications Manager UCDA noted that there are many lessons Uganda can pick from Ethiopia when it embarks on a global branding campaign of Uganda coffee.

"Branding of Ugandan coffee on the world market has been top of UCDA's agenda. Through this training, we have appreciated the steps taken in the national branding process and will use these to build Uganda's coffee brand in the global market in line with the Coffee Roadmap," Ms. Walusimbi said.



**Staff of Uganda Coffee Development Authority, Ministry of Trade, Industry, and Cooperatives (MTIC), Uganda Export Promotions Board (UEPB), and Uganda Coffee Federation (UCF) and Ministry of Agriculture, Animal and Industry took part in the Market Surveillance training**

# Parliament Passes National Coffee Bill with Museveni's Recommendations

Parliament reconsidered and passed the National Coffee Bill, 2018 in March as returned by the President in accordance with Article 91(3)(b) of the Constitution and Rule 142 of the Rules of Procedure.

**P**resident Yoweri Museveni returned the bill to parliament citing a few irregularities in the clauses regarding the appointment of chairperson of Uganda Coffee Development Authority (UCDA), Managing Director of UCDA and registration of farmers.

The chairperson of Parliament's Agriculture Committee, Janet Okori-Moe said that they agreed entirely with the proposal by the president that the board will be appointed by the minister and approved by cabinet.

"The members of the Board, except the Managing Director shall be appointed by the Minister," Clause 14 (a) reads.

This is because Boards of all Government agencies are proposed by the Minister and approved by cabinet, and not by Parliament as had been previously adopted by the House.

According to the passed recommendations, the Minister shall in appointing members of the Board invite nominations from the respective institutions or organisations from whom the appointment shall be made.

This is justified on the ground that the appointment of other board members under this provision is by invitation of nominations, save for the board Chairperson.



**Hon. Janet Okori-Moe, chairperson of Parliament's Agriculture Committee.**

The Board shall consist of a chairperson, a representative from the Ministry of Finance, Planning and Economic Development, a representative from the Ministry of Agriculture, Animal Industry and Fisheries, a representative from the Ministry Trade, Industry and Cooperatives, a representative of coffee farmers, a representative of coffee processors, a representative of coffee exporters, a representative of coffee roasters, a representative of the National Agricultural Research Organisation and the managing director, who shall be an ex-officio member.

At least one-third of the members of the Board shall be women, one of whom shall be a representative from the value chain actors.

About the appointment of the Managing Director, the law if passed into law shall read: "There shall be a Managing Director of the Authority who shall be appointed by the Board, on such terms and conditions as the Board may determine."

Hon. Okori-Moe said that a coffee farmer should be registered as an individual not as a family, as had initially been suggested, to avoid incidents where some farmers may claim to have been registered as families.

She added that the Agriculture Committee observes that the proposals by the President in the returned Clauses are similar to the positions that the Committee presented in its report to the House. "The changes arose from the debate on the Floor of the House," she said.

The Bill aims to repeal and replace the Uganda Coffee Development Authority Act, Cap. 325, which was enacted in 1991 and only covered off-farm activities of marketing and processing, leaving on-farm activities like planting materials, nurseries, harvesting and post-harvest handling outside the scope of the law.

If passed into law, the law will help in comprehensive planning for coffee farmers when it comes to linking buyers and farmers, setting up irrigation systems, provision of planting materials and extension services.

# COFFEE TRENDS

JUNE 2020



## Key Highlights

A total of **618,388 60-kilo bags** of coffee valued at **US\$ 58.56 million** were exported in **June 2021** at an average weighted price of **US\$ 1.58 /kilo, 1 cent** lower than **US\$ 1.59 /kilo in May 2021**. This was an increase of **47% in both quantity and value** compared to the same month last year.

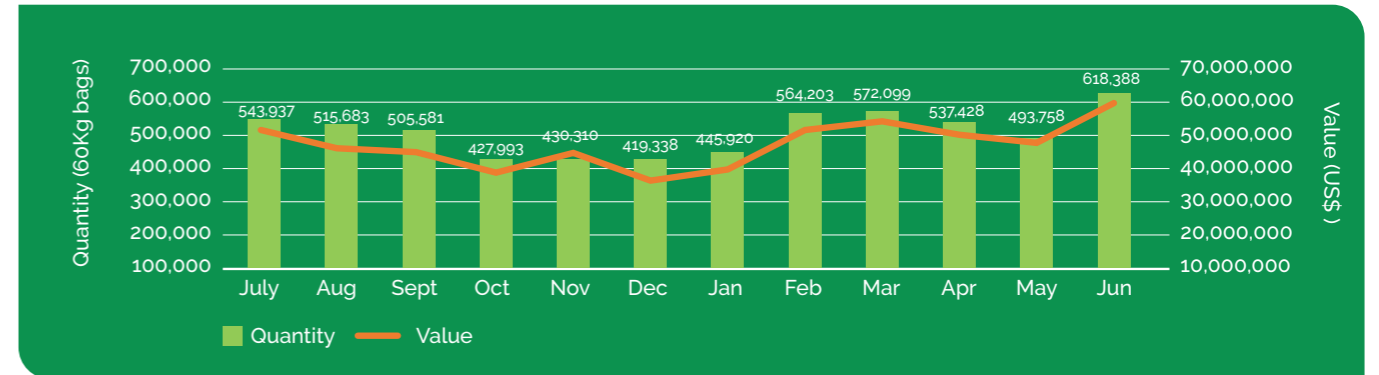
Farm-gate prices for Robusta Kiboko averaged **UGX 2,250 per kilo**; FAQ **UGX 4,350 per kilo**, Arabica parchment **UGX 6,650 per kilo** and Drugar **UGX 5,750 per kilo**

Coffee exports for 12 months (FY 2020/21) totalled **6.08 million bags** worth **US\$ 559.26 million** compared to **5.11 million bags** worth **US\$ 496.28 million** the previous year (FY 2019/20), the highest total exports for 12 months in 30 years. This represents an increase of 19% and 13% in both quantity and value respectively.

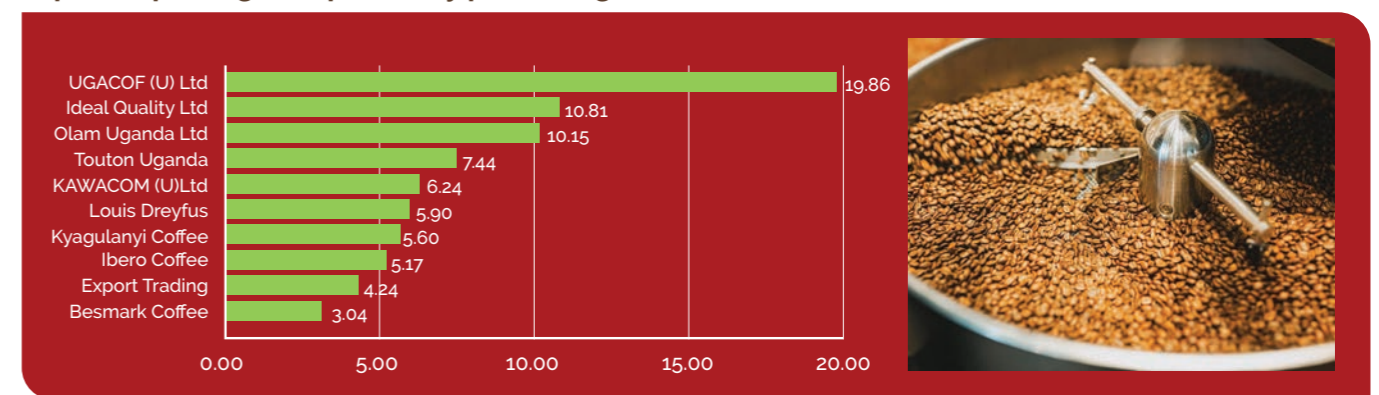
**78%** of the total volume was exported by **10 exporters**, out of **46 companies** that performed during the month compared to **81% in May 2021**. Sustainable Arabica fully Washed Sipi Falls fetched the highest price at **US\$ 5.37 per kilo**.

▲ The ICO Composite Indicator price increased by 4.6% to 141.03 US cents/lb in June 2021 from US cents/lb 134.78 US cents/lb in May 2021.

## Trend of Total Quantity and Value of Coffee Exported: July 2020- June 2021

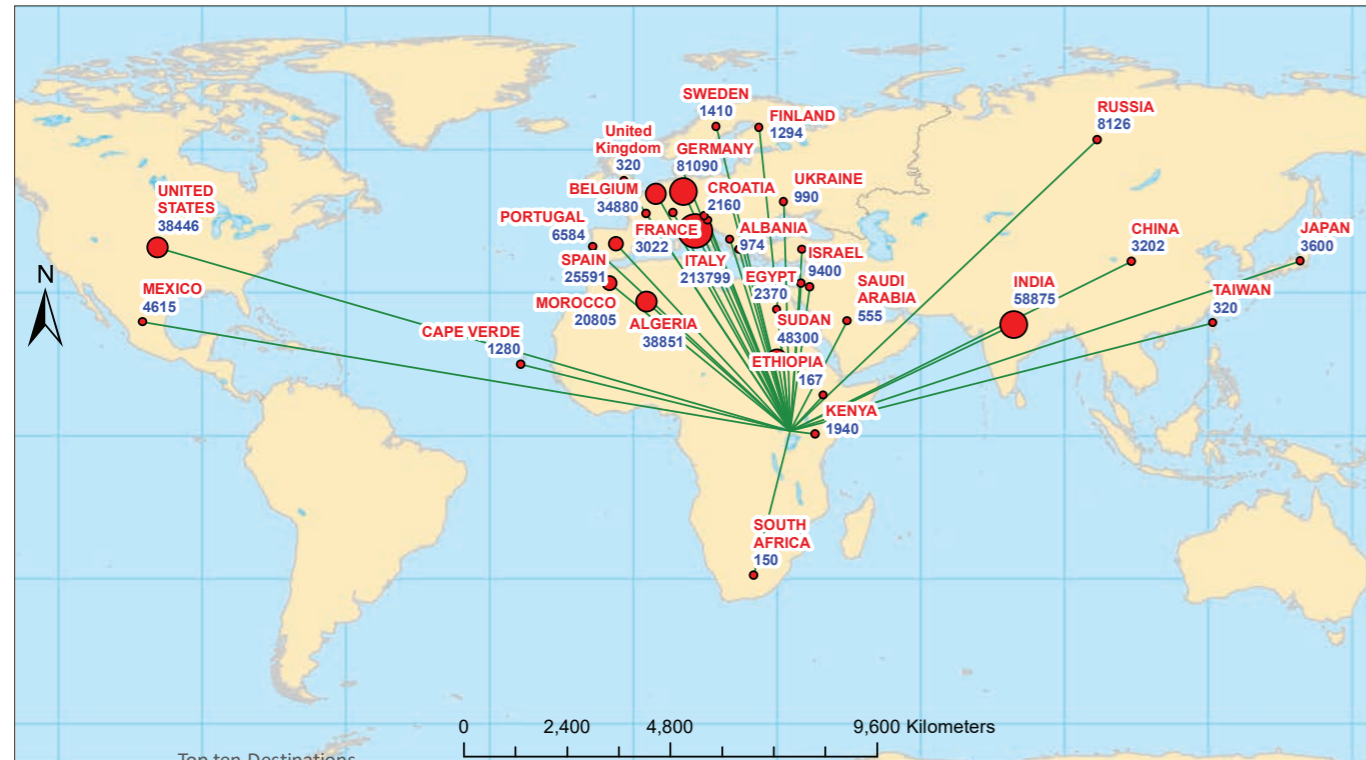


## Top 10 Exporting Companies by percentage market share





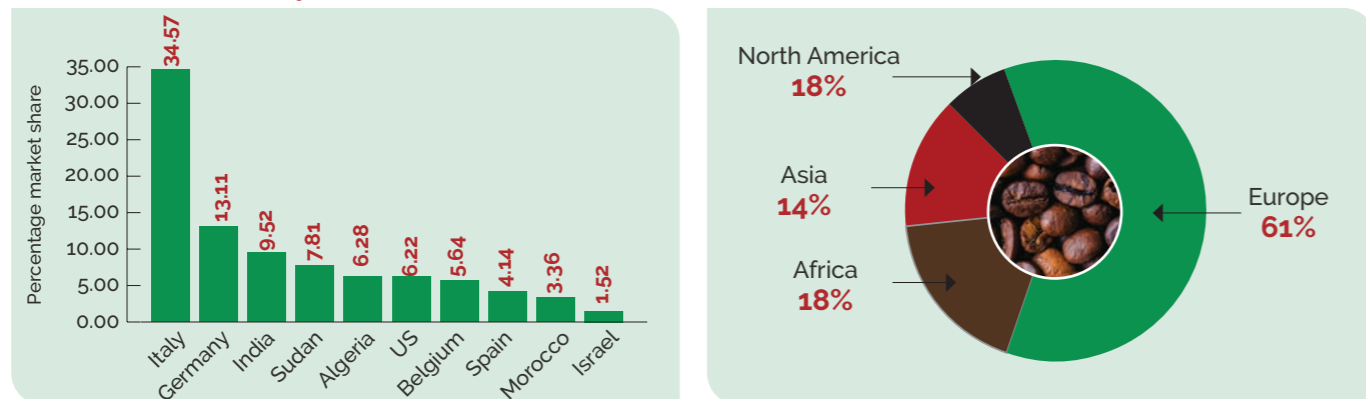
## Coffee Destination by Quantity in 60 Kg bags for the Month of June 2021



## ICO Indicator Prices - June 2021 - In US cents/lb

	ICO composite indicator	Colombian Milds	Other Milds	Brazilian Naturals	Robustas
01-Jun	143.84	211.27	197.61	152.65	84.32
02-Jun	144.01	211.26	197.66	152.59	84.78
03-Jun	141.53	207.83	193.95	149.03	84.21
04-Jun	144.51	211.68	197.88	153.30	85.32
07-Jun	143.98	210.57	196.46	152.08	86.04
08-Jun	141.94	208.19	194.05	149.73	84.55
09-Jun	141.25	207.52	193.46	148.94	83.89
10-Jun	142.31	209.04	195.07	150.58	84.02
11-Jun	141.51	207.26	193.90	149.40	84.07
14-Jun	139.12	203.96	191.27	145.97	82.95
15-Jun	137.30	201.16	188.12	142.94	83.18
16-Jun	139.10	203.31	190.27	145.09	84.37
17-Jun	136.49	199.86	186.28	141.68	83.47
18-Jun	136.73	200.09	186.51	141.70	83.90
21-Jun	137.90	202.37	187.37	143.99	83.97
22-Jun	137.24	201.47	186.37	143.24	83.65
23-Jun	138.50	203.21	188.27	144.82	84.13
24-Jun	138.27	202.27	187.09	143.90	85.25
25-Jun	142.04	207.50	191.87	148.70	87.14
28-Jun	146.12	212.92	197.67	154.01	88.81
29-Jun	143.73	209.83	195.04	151.52	86.85
30-Jun	145.24	211.17	197.64	152.88	87.91
Average	141.03	206.53	192.45	148.12	84.85
High	146.12	212.92	197.88	154.01	88.81
Low	136.49	199.86	186.28	141.68	82.95

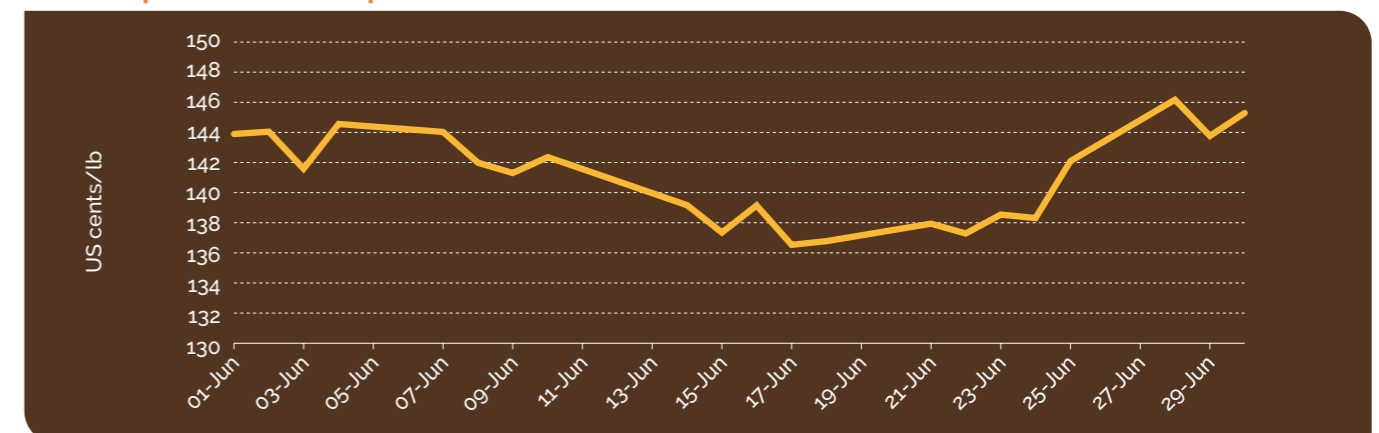
## Coffee Destination by market share for the Month of June 2021



## Quantity of Coffee exported by type for the Month of June 2021



## ICO composite indicator price - June 2021



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# A tribute to Edmund Kananura Kyerere

23 October 1962 – 18 April 2021

**O**n 18 April 2021, Edmund Kananura Kyerere's candle burned out after an illustrious career at the Uganda Coffee

Development Authority that spanned 26 years. Mr. Kananura was a senior member of the UCDA management team and the Director Quality and Regulatory Services. He began his career in UCDA in 1995 and grew through the ranks from a quality controller to director. He was a pillar and a great team player in the transformation of the coffee value chain and is credited for the improvement of the quality of the coffee traded in the country and exported to the world.

Mr. Kananura was a passionate promoter of Uganda coffee locally and internationally. He will be remembered for marketing Uganda coffee outside the country especially in Japan, USA, Europe, China, Russia and Northern Africa. He was also crucial in the integration of technology in the operations of UCDA including automation of coffee export processes. Kananura was also at the centre of developing coffee standards – East African and Uganda coffee standards. He was also key in the certification of UCDA laboratories in conjunction with Uganda National Bureau of Standards (UNBS) and compliance to the ISO standards, which has facilitated Ugandan coffee trade on the international market.

He promoted domestic coffee consumption and his efforts led to the exponential growth of cafés across the country. "Uganda had only 2 cafés in 1996 and now there are over 200 countrywide," Dr. Iyamulemye revealed.

Kananura was also key in the development of the Barista programme, and in



collaboration with the Coffee Quality Institute (CQI), over 2,000 Ugandan youths have been mentored and trained in professional coffee roasting, brewing and serving. Most of these baristas are now employed in local restaurants, cafés and hotels. Others have set up their own businesses or have been employed abroad. At Edmund's funeral service, the former Minister of State for Agriculture, Henry Aggrey Bagiere described him as a person who emphasised quality and value addition but above all, certification of coffee headed for external market.

"He was influential in making sure Ugandan coffee does well in emerging markets," Hon. Bagiere said. "He was part of our increased hotspots (new emerging markets). He made a big effort in penetrating these markets. His zeal for selling processed coffee and value addition was unmatched," he said.

## Who was Edmund Kananura Kyerere

Edmund was passionate in all spheres of his life – family, business, profession, and personal relationships. He was a committed public servant who served his country well. Service delivery to the organisation's stakeholders was important to him. To that end, he lobbied for the expansion of his directorate to be able

to handle the growing demands of the sector. Mr. Kananura mentored UCDA staff members and young people in the industry, especially the baristas and brewers.

According to the staff members at UCDA, he was a very frank, transparent and honest person to work with. He had a big heart, was fun to work with and never held any grudges with anyone. Even when he disagreed with anyone it was all in good faith. He has left a void in the UCDA family and the wider coffee sub sector and will greatly be missed.

**What others say about him**  
**Maj. Gen. Leopold Kyanda, his former schoolmate at Mbarara High School and best man:** He was honest, a strategist, outstanding, smart and an investor. He told me about investing in coffee. I must say he has done his work.

**Hajji Eng. Ishak K. Lukenge, MD Kampala Domestic Stores:** Edmund had a deep knowledge and passion of the coffee industry. During discussions of contentious issues, he always kept calm and sometimes he would go into your inbox and explain what he meant or wanted. He initiated a lot of ideas like the linkage of URA and UCDA for the purpose of facilitating quick movement of coffee exports using online documentation. During international exhibitions and conferences, he promoted the identity of Uganda coffee with all his might. Uganda being 80% Robusta, he was very instrumental in the recognition of Uganda the Centre of Excellence for Robusta Coffee. I wished and prayed that he had written a book on Uganda coffee, something that has not happened. We will always remember him as a passionate coffee lover for the good of his country.

**Henry Ngabirano, Chairman, Heritage Coffee Group of Companies:** Edmund is gone and surely too soon! This brings emptiness not only to his family and workmates but to everyone who knew him. Edmund was a humble man with great compassion for others. There are many areas of impact he will be remembered for in his personal, family and work life. For me Edmund leaves an indelible mark in the promotion of coffee consumption in this country. He exhibited exceptional love and commitment in training young professionals in coffee barista skills. He was unbelievably successful in getting the Ugandan-developed Robusta coffee grading standards adopted globally! Edmund was one of the most TRUTHFUL persons that I ever met and worked with. It is incredibly painful to note that we are not going to physically be with such a person anymore. "MD orator" characterised his advice whenever he saw things going the wrong way.

**Prof. Ezra Suruma, Head of the Prime Minister's Delivery Unit:** Edmund Kyerere is a young and very productive life gone too soon. I first met him in China in November 2019. We traveled to China to promote Uganda's coffee exports to that country. Edmund used his expertise to convince the Chinese experts that our coffee was the best and we possessed the capability to export quality coffee to China. He knew his work and he guided us effectively.

**Ambassador Dr. Mumtaz Kassam:** Edmund has been instrumental in promoting Uganda's coffee in many countries and I shall always value his input during the International Expo in Milan in 2015 where Uganda was in the coffee cluster. Edmund was professional and inclusive in his work ethics.

**Ambassador Mull Sebuja Katende, Ambassador to U.S.A:** Mr. Kananura Kyerere's commitment to help Uganda produce and export quality coffee in world

markets is a tenet we at the Embassy admired about him. He was always caring and then he dies as his efforts were beginning to bear fruit.

**Andreas Nicolaidis, Managing Director Great Lakes Coffee Company:** Thank you for your service to Uganda coffee and for your leadership and guidance. We will miss your friendship but rest assured we will carry on your good work.

**Deus Nuwagaba, NUCAFE:** It is so sad that we have lost a committed and dedicated service man of not only the coffee sub-sector but the country. His contribution especially in improving coffee quality as a driver of market competitiveness for Ugandan Coffee globally remains a mark to trace. The coffee farmers in particular have lost a partner.

**Annet Nyakaisiki, Director, Barista House Ltd:** Edmund was a great icon in the coffee industry. We knew him as a father, friend and quality coach. He motivated, encouraged and supported. Coffee quality was his key emphasis during his time of service.

**Rashida Nakabuga, Rainforest Alliance:** Edmund has been an inspiration to many young people. The first time I met him over 10 years ago he welcomed me with a smile and encouraging words. As Rainforest Alliance we will miss his knowledge and contributions to the coffee fraternity.

**Freda Patience Namanya-Muhumuza, UCDA:** Edmund, you were such a great soul and not so many got to know you at that level. I thank God that I got to know you at that level. I appreciate and will hold onto the moments we spent together both at work and at a personal level. Thank you for being thoughtful, kind and loving and with work, hard-working, receptive and having a good attitude at all times.

**Betty Namwagala, Marketing and Promotion Coordinator, UCDA:** Director Edmund, you loved your country, you defended UCDA, you stood for the quality of Uganda coffee at all times. You were a coffee encyclopedia, reprimanded professionally and yet you mentored, inspired and advised many and all this in what you stood for. This contributed to the success of many. Let us celebrate a life well lived that greatly impacted the lives of many in this nation and internationally. The coffee sector you have served diligently under UCDA will dearly miss you especially your team at Lugogo. I salute the work of your hands.

**Fredrick Mugerwa, Quality Assurance Officer, UCDA:** Edmund was more of a friend to me than a boss, he coached me in several aspects of work and life. He was always encouraging, supportive, full of constructive ideas that propelled me in the execution of work and career. He welcomed every new person and made them feel part of the team. He was an exceptional mentor to me and I will always miss his wise counsel. Edmund went the extra mile for anyone that worked with him. He was generous and kind hearted. He always told me stories drawing from his rich experience and advised me to better my career and family. I'll miss those stories.

**Teopista Nakkungu, National Coordinator, International Women's Coffee Alliance – Uganda Chapter:** Edmund is gone but his spirit will shine on. In many of us in the coffee subsector his legacy will live on. I knew Edmund when I was a student at the University and made a friend for life. He was our mentor, brother and a true friend, always approachable and always sparing a minute to chat.

**Other messages can be found at <https://aplusfuneralmgt.com/obituary/edmund-kananura-kyerere/>**



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