

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Uganda

Coffee Annual

2015 Coffee Report

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Report Highlights:

FAS/Nairobi forecasts an increase of Uganda's coffee production in the marketing year (MY) 2015/2016 to 3.8 million sixty kilogram bags as the sector recovers from the effects of the drought that ravaged the farms in MY 2014/2015. Exports are also expected to increase to 3.5 million bags. Uganda Coffee Development Authority (UCDA) continues to implementing the ambitious government-sponsored program that aims at increasing production, diversification of export markets, and increasing domestic consumption.

Production:

Uganda coffee production was hard hit by drought in the MY 2014/2015, leading to a downward revision of production forecast to 3.55 million bags. In MY 2015/2016, FAS/Nairobi forecasts a recovery of the coffee plants and a production increase of about 250,000 bags for both Robusta and Arabica. Despite the production setback, UCDA has continued implementing the government-sponsored coffee program that is aimed at increasing production to over 4.5 million bags by the year 2018 by improving husbandry practices and the planting of improved varieties.

Marketing:

Coffee marketing in Uganda is fully liberalized, with vibrant producer organizations. Most international coffee traders are represented in the country by locally incorporated companies.

Consumption:

Coffee consumption in Uganda remains at a low of three percent of the total national production primarily attributed to low purchasing power and an entrenched tea drinking culture. UCDA continues to run programs to promote domestic consumption.

Uganda has twelve registered coffee roasting plants for Arabica coffee, while Robusta coffees are processed at the soluble coffee factory in the neighboring Tanzania and packaged in Kampala for distributing in the local and regional markets.

Policy:

UCDA is responsible for the implementation of coffee sector policies on behalf of the Government of Uganda (GOU) and is currently implementing the National Coffee Policy that was launched in 2013. The key pillars of the policy are increased productivity; expansion of the coffee area; and the improvement of the coffee business environment. The policy also aims at diversification of markets, promotion of sustainable production systems and, value addition, increasing domestic consumption and improvement of research capacity.

The GOU does not impose any export taxes on coffee. UCDA however levies a one percent cess on all marketed coffee.

Coffee, Green Market Begin Year Uganda	2013/2014		2014/2015		2015/2016	
	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	350	350	0	351		352
Area Harvested						0
Bearing Trees						0
Non-Bearing Trees						0
Total Tree Population						0
Beginning Stocks	363	363	393	395		312
Arabica Production	850	850	800	750		800
Robusta Production	3,000	3,000	3,200	2,800		3,000
Other Production	0	0	0	0		0
Total Production	3,850	3,850	4,000	3,550		3,800
Bean Imports	0	0	0	0		0
Roast & Ground Imports	0	0	0	0		0
Soluble Imports	0	2	0	2		2
Total Imports	0	2	0	2		2
Total Supply	4,213	4,215	4,393	3,947		4,114
Bean Exports	3,600	3,600	3,800	3,400		3,500
Rst-Grnd Exp.	0	0	0	5		0
Soluble Exports	0	0	0	0		0
Total Exports	3,600	3,600	3,800	3,405		3,500
Rst,Ground Dom. Consum	220	220	230	230		250
Soluble Dom. Cons.	0	0	0	0		0
Domestic Use	220	220	230	230		250
Ending Stocks	393	395	363	312		364
Total Distribution	4,213	4,215	4,393	3,947		4,114

1000 HA, MILLION TREES, 1000 60 KG BAGS

Data Source: UCDA, GTA – otherwise FAS/Nairobi Estimates

Notes on PSD table

- Area under coffee to go up due to the ongoing GOU –sponsored expansion program
- MY 2014/2015 production revised downwards due to impact of drought
- Production for both Robusta and Arabica coffee expected to go up as trees recover from the effects of drought

Trade:

Nearly ninety-seven percent of Uganda coffee is exported through direct sales by over thirty companies. However, ten of the companies control over eighty percent of the business. Germany and Italy are the main export destinations for Uganda's coffee exports

Leading destinations for Uganda Coffee Exports

Export Destination	2011/ 2012		2012/2013		2013/2014	
	Quantity (T)	%	Quantity (T)	%	Quantity (T)	%
Germany	34,486	25%	39,004	27%	38,660	23%
Italy	28,260	20%	27,047	19%	37,750	23%
Belgium	9,503	7%	16,388	11%	18,611	11%
Spain	12,086	9%	11,078	8%	10,122	6%
United States	8,244	6%	8,363	6%	8,138	5%
France	3,771	3%	5,260	4%	8,113	5%
India	6,718	5%	5,384	4%	6,752	4%
Portugal	4,530	3%	5,213	4%	5,985	4%
South Korea	61	0%	682	0%	5,497	3%
Morocco	2,067	1%	4,742	3%	5,251	3%

Source: GTA, UCDA