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Report Highlights:

FAS/Nairobi forecasts a rebound of Uganda's coffee production in marketing year (MY) 2020/2021 due to good weather, and harvests from recently established plantations. Ugandan coffee exports to both traditional and new markets are also expected to increase, with the recovery of exports to the Sudan being a major boost. These developments will bring back to line Uganda's ambitious program to grow its coffee sector.

Uganda coffee production expected to rebound

FAS/Nairobi forecasts an increase in Uganda's coffee production in MY 2020/2021 buoyed by favorable weather conditions, and new harvests from maturing plantations that were recently planted/replanted under the Uganda's 15-year Coffee Roadmap program. The program is implemented by Uganda Coffee Development Authority (UCDA) and aspires to increase Uganda's coffee production to 20 million bags by 2030, and to triple incomes of 1.2 million smallholder coffee farmers. The activities under the program include: introduction of improved varieties, increasing the efficiency of farm inputs supply, and revamping of coffee extension services.

Uganda explores new export markets

Uganda has a vibrant private-sector-led coffee industry, and most international coffee trading companies are locally represented. The latest entity to show interest in Ugandan coffee is China's Yunnan Coffee Exchange, who have signed an agreement with UCDA to promote Ugandan coffee in China. The liberalized marketing environment allows traders to purchase coffee from producer organizations or directly from farmers for onward processing and export.

Domestic consumption to be affected by coronavirus pandemic

UCDA has been implementing programs to promote coffee consumption both in urban and rural areas in Uganda. The onset of coronavirus (Covid-19) pandemic has, however, disrupted the program after hotels, restaurants and other eateries were forced to close to comply with the lockdown and social distancing directives by the government. It is neither clear for how long these measures will be in place, nor how consumers will respond once the re-opening is implemented. It is also likely that due to the purchasing power decline coming from Covid-19, consumers will keep away from premium coffees in favor of cheaper lower-end coffees.

Production, Supply and Distribution (PSD) table

Coffee, Green Market Begin Year	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
Uganda	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	355	0	355		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	160	160	110	110		160
Arabica Production	800	800	750	750		800
Robusta Production	4000	4000	3500	3500		4000
Other Production	0	0	0	0		0
Total Production	4800	4800	4250	4250		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	4960	4960	4360	4360		4960
Bean Exports	4600	4600	4000	4000		4500
Rst-Grnd Exp.	0	0	0	0		0
Soluble Exports	0	0	0	0		0
Total Exports	4600	4600	4000	4000		4500
Rst,Ground Dom. Consum	250	250	250	200		200
Soluble Dom. Cons.	0	0	0	0		0
Domestic Consumption	250	250	250	200		200
Ending Stocks	110	110	110	160		260
Total Distribution	4960	4960	4360	4360		4960
(1000 HA), (MILLION TREES), (1000 60 KG BAGS)						

Uganda in the process of changing coffee laws

Uganda has been implementing its National Coffee Policy for more than five years now. The policy aims at diversifying markets, promoting sustainable production systems, value addition, and increasing domestic consumption. The policy also aims at improving coffee research capacity. In addition, the government of Uganda (GOU) has also proposed a new set of coffee laws to attune the regulatory environment with anticipated coffee production, marketing, and trading practices. The national coffee bill, that comprises the primary laws, is currently before Uganda’s Parliament.

Recovery of exports to the Sudan expected

The main export destinations for Uganda coffee are European Union (pre-Brexit), United States, Morocco, India, and Russia. In the Eastern African region, Sudan is the main export destination for Ugandan coffee, and its return to political stability will be a big boost for Uganda’s exports going into MY 2020/2021. Some of Uganda’s robusta coffees are also exported to Tanzania for processing into soluble coffee at Bukoba, packaged, and distributed to the regional market. GOU does not levy taxes on Uganda’s coffee exports.

Some of the leading export destinations for Uganda coffee, outside EAC

Export Destination	Unit	October - September			Market Share (%)		
		2017	2018	2019	2017	2018	2019
EU 28 External Trade	T	131,800	171,255	144,769	72.17	76.47	71.90
United States	T	10,642	15,055	19,970	5.83	6.72	9.92
Morocco	T	7,970	10,563	11,775	4.36	4.72	5.85
India	T	13,295	9,317	3,425	7.28	4.16	1.70
Russia	T	2,338	2,698	3,245	1.28	1.21	1.61

Source: TDM

Attachments:

No Attachments