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Report Highlights:

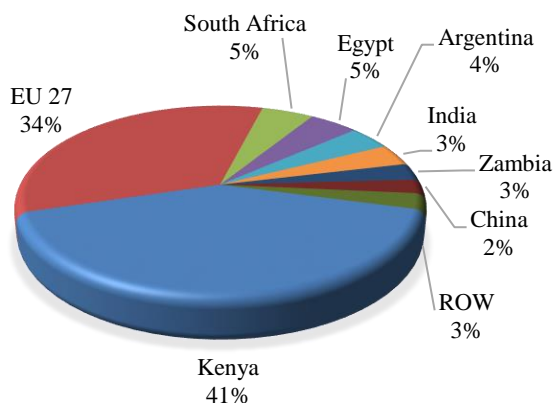
Uganda presents potential for U.S. agricultural exporters, driven by steady economic growth, urbanization, and shifting consumer preferences toward high-quality, convenient, and safe food products. Demand is increasing for imported goods such as cereals, edible oils, and processed foods. The rapid expansion of modern retail and food service outlets particularly in urban centers offers strategic entry points for U.S. suppliers. Uganda remains a net food importer due to limited local processing capacity and seasonal production gaps. This Exporter Guide provides practical insights to support U.S. exporters, including how to navigate regulatory requirements, establish partnerships with local distributors, and tailor pricing strategies to meet market dynamics.

Executive Summary

Uganda is a landlocked country in East Africa that shares borders with Kenya, South Sudan, the Democratic Republic of Congo, Rwanda, and Tanzania. In 2024, its population was estimated at 49.28 million, with approximately 29.3 percent residing in urban areas. Kampala serves as the capital city and the country's commercial and logistical hub. Uganda's nominal GDP rose to \$49 billion in 2024, up from \$45.7 billion in 2023, reflecting continued economic growth and an expanding private sector. Agriculture remains the backbone of the economy, employing nearly 70 percent of the population.

Informal trade dominates, with modern retail steadily expanding in Kampala and other cities, driven by improved communication infrastructure, urbanization, and changing consumer preferences. An expanding middle class, enhanced road networks, and rising demand for safe and convenient foods are creating new opportunities for U.S. exporters. Key sectors include cereals, edible oils, and processed food products.

Figure 1: Top Exporters of Agricultural Products to Uganda



Source: TDM, LLC

Retail Food Industry

Uganda's retail food industry is growing, driven by economic growth, urbanization, and changing consumer preferences. While modern retail is expanding, the sector remains dominated by the informal market through traditional open-air markets, roadside vendors, kiosks, and small neighborhood shops, especially in rural and peri-urban areas. Total grocery sales are estimated at \$7.6–8.3 billion approximately 18 percent of GDP, but less than 15 percent flows through formal supermarkets; the balance is channeled through open-air and neighborhood kiosks.

In urban centers, formal retail is steadily growing, with supermarkets and grocery chains like Capital Shoppers, Quality Supermarket, and Carrefour targeting middle- and upper-income consumers. Most food products pass through several intermediaries before reaching consumers. This contributes to post-harvest losses of 30-50 percent, largely due to poor transport infrastructure, inadequate cold storage, and poor handling. Modern supermarkets often import directly or work with local distributors to ensure consistent supply and quality, particularly for premium, imported, and processed foods.

Food Service Industry

The food service sector is comprised of restaurants, hotels, and institutional catering. The sector is a key driver of food imports in Uganda. Restaurants lead the market by 45 percent of sales, mainly in Kampala and other urban areas, driven by urbanization, a rising middle class, and shifting lifestyles. Hotels account for 35 percent, often sourcing imported beef, dairy products, specialty foods, and beverages to meet international standards. Institutional catering makes up 20 percent, serving schools, hospitals, and government offices, with bulk purchases focused on cost, shelf-life, and nutrition. Common imports include grains, pulses, powdered milk, edible oils, and canned foods.

Food Processing Industry

Domestic food processing is growing, especially in areas like beverages (juices, soft drinks), dairy products, baked goods, and breakfast cereals. Expanding local processing creates demand for imported inputs such as food additives, packaging materials, flavors, enzymes and premixes. U.S. exporters of high-quality ingredients, food additives, processing equipment and packaging should note Uganda's emerging food-manufacturing industry and the need for modern processing inputs.

Quick Facts

Top Agricultural and Food Imported Products

1. Cereals
2. Edible oils
3. Processed products
4. Sugar
5. Condiments and sauces

Top Retailers

Carrefour (7 outlets)
Capital Shoppers (4 outlets)
Quality Supermarket (4 outlets)
Kenjoy Supermarket (4 outlets)
Mega Standard Supermarket (3 outlets)

GDP/Population (2024 est.)

GDP \$49 billion
GDP per capita \$994
Population 49,283,041 million

Sources: Trade Data Monitor, CIA Factbook, World bank, and IMF

Market Assessment

Strengths	Weaknesses
<ul style="list-style-type: none"> Fast-growing economy with increasing purchasing power. Growth in modern retail and quick-service restaurants in urban areas. 	<ul style="list-style-type: none"> Landlocked status leads to high transport and logistics costs. Complex regulatory and customs processes.
Opportunities	Threats
<ul style="list-style-type: none"> Strong demand for safe, high-quality imported products. Growth in retail, food service and processing sector in the Country. 	<ul style="list-style-type: none"> Competition from regional and global suppliers offering lower cost alternatives. Import substitution policy such as Buy Uganda Build Uganda

Section 1: Market Overview

Uganda is a landlocked country in East Africa, bordered by Kenya, South Sudan, the Democratic Republic of Congo, Rwanda, and Tanzania. In 2024, the country's population was estimated at 49.28 million, with approximately 27 percent residing in urban areas. Kampala, the capital, is the political, economic, and commercial hub. The country offers a promising market for exporters, supported by a young and growing population, rising urbanization, and an expanding middle class. Uganda's economy has demonstrated resilience and steady growth, with GDP estimated at \$49 billion in 2024 and a per capita GDP of \$1,045. Agriculture remains central to the economy, employing about 70 percent of the workforce and contributing significantly to exports and food security.

The food sector is undergoing a structural shift. Changing consumption patterns driven by urbanization, income growth, and lifestyle changes are increasing demand for safe, high-quality, convenient, and processed food products. Consumer preferences are also gradually shifting toward healthier options and international brands. Modern retail is expanding, particularly in urban areas, with a growing presence of supermarkets, shopping malls, and international hotel chains. This has opened new channels for consumer oriented and value-added food products. Leading supermarkets include Carrefour, Capital Shoppers, Mega Standard, Quality, and Kenjoy Supermarkets.

Table 1: Key Economic Indicators for Uganda in 2024

Indicator	Value
Population	49.28 million
GDP	\$49 billion
GDP per capita	\$994
Inflation rate	3.30 percent
Real GDP growth	5.7 percent
Currency	Ugandan Shilling (UGX)
Exchange rate	1 USD = 3,820 UGX
Major import partners	Kenya, EU, South Africa, China, India, U.S., U.K.
Major agricultural imports	Cereals, edible oils, processed products

Sources: FAS Post, Trade Data Monitor, LLC

Overview of U.S. Supplier Competitiveness

Strengths and market opportunities	Weaknesses and competitive threats
Growing demand for processed and packaged foods.	High transport and logistics costs.
Expanding retail and food service sectors.	Price sensitivity and low purchasing power.
Bilateral engagements and support programs.	Competition from regional and global suppliers.
Strong and wide variety of products on offer.	Limited cold chain infrastructure.

Section II: Exporter Business Tips

1. **In-Depth Market Research:** Conduct detailed research to understand consumer preferences, purchasing behaviors, and dietary trends, including demand for convenient, high-quality, and safe foods. Focus on regional variations and engage younger demographics for future growth.
2. **Regulatory Compliance:** Ensure strict adherence to Ugandan food safety and quality standards by obtaining necessary certifications from regulatory bodies like Uganda National Bureau of Standards and Uganda Revenue Authority. This approach facilitates market entry, avoids hurdles, and builds consumer trust.
3. **Strategic Partnerships:** Collaborate with local distributors, logistics providers, and producers to navigate the market, including the informal sector. These partnerships aid in value addition, product adaptation, market penetration, and overcoming regulatory barriers.
4. **Pricing Strategy:** Implement flexible pricing models, such as tiered pricing, to cater to Uganda's diverse market. Offer affordable options like the small packs for price-sensitive consumers.
5. **Promotion and Digital Engagement:** Leverage e-commerce platforms and social media marketing to reach digitally connected Ugandan consumers, particularly youth. Use targeted digital campaigns to boost brand visibility, engage audiences, and drive online sales.

Logistics and Distribution

Exports goods enter Uganda through several routes, with road as the primary mode. Sea freight typically arrives via the port of Mombasa in Kenya or the port of Dar es Salaam in Tanzania. The Mombasa port serves as the principal gateway for Uganda's sea imports, handling approximately 80 percent of all sea cargo. Goods are transported into Uganda by road through the Northern Corridor (Mombasa–Kampala via the Malaba or Busia border) or the Central Corridor (Dar es Salaam - Kampala via the Mutukula border) for goods received in Tanzania. Uganda's main international airport is Entebbe International, located close to Kampala.

Section III: Import Food Standards, Regulations and Procedures

Uganda adopts both national and international food safety standards. It has aligned many of its food safety requirements with the Codex Alimentarius, which are an internationally recognized collection of standards, guidelines, and codes of practice related to food safety and quality. As a member of the East African Community (EAC), Uganda applies regional East African Standards (EAS), which are developed under the EAC framework, as well as national standards set by the Uganda National Bureau of Standards (UNBS). The UNBS may also require compliance with Ugandan or EAS standards, even if a product already meets U.S. regulations.

Common requirements include:

- 1) Maximum residue limits for pesticides.
- 2) Additive and contaminant levels.
- 3) Labeling requirements.
- 4) Fortification (especially for staple foods like wheat flour and vegetable oil).

For more information on Uganda's food standards and regulations, visit the [UNBS website](#).

Labeling Requirements

All food imports must be labeled in English, with Swahili being optional. Labels must include product name, ingredients, date marking, country of origin, nutritional information (mandatory for processed and packaged foods), manufacturer, and storage instructions.

Tariff Structure

The East African Community applies the Common External Tariff structured in four bands:

1. 0 percent for raw materials;
2. 10 percent for intermediate goods;
3. 25 percent for finished products; and
4. 35 percent for imports products that are produced within the East Africa aimed at protecting local industries.

More information is available on the [EAC website](#).

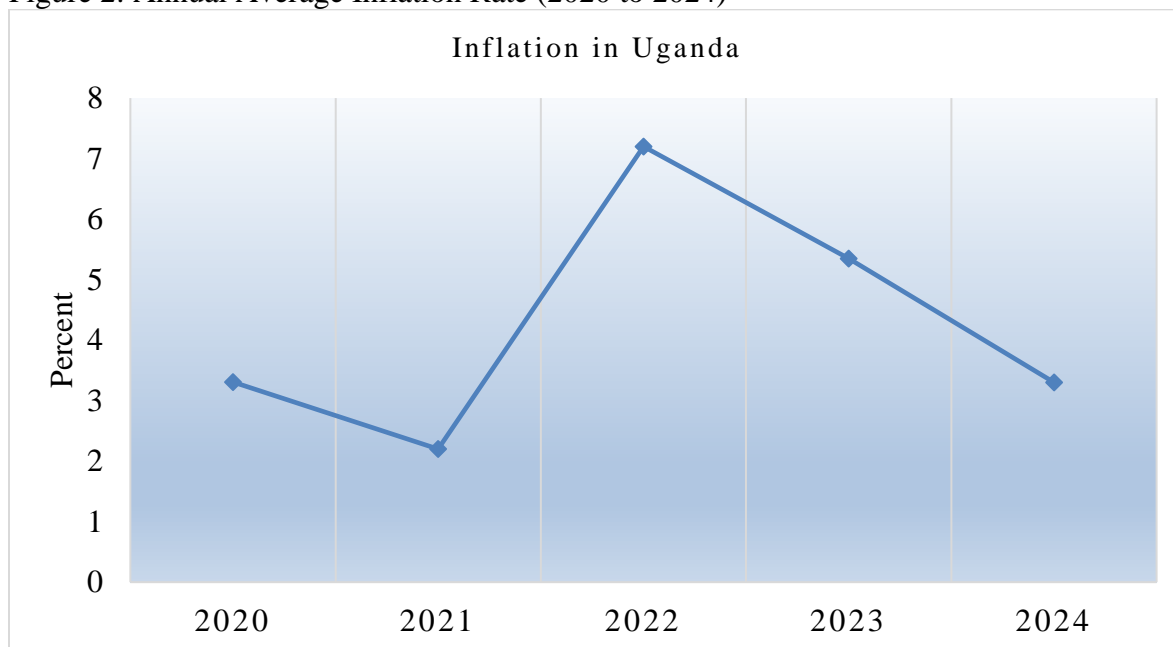
Table 2: Summary of other Relevant Levies

Category	Rate
VAT	18 percent
Withholding tax	6 percent on cost insurance and freight
Custom processing fee	UGX 50,000 - 100,000 per consignment

For more details, refer to the [Uganda Revenue Authority \(URA\) website](#).

Section IV: Market Sector Structure and Trends

Figure 2: Annual Average Inflation Rate (2020 to 2024)



Source: Uganda Bureau of Statistics

Uganda has experienced fluctuating inflation levels between 2020 and 2024, influenced by both global and domestic factors. Inflation was relatively low in 2020 and 2021, likely due to stable food supplies and reduced import demand during the COVID-19 pandemic. However, it spiked sharply to 7.20 percent in 2022, driven by global supply chain disruptions and the economic impact of the Russia-Ukraine war. In response, the Central Bank of Uganda implemented tighter monetary policies, contributing to a gradual decline in inflation to 5.35 percent in 2023 and further to 3.30 percent in 2024.

Main Market Sectors

Retail Food Sector

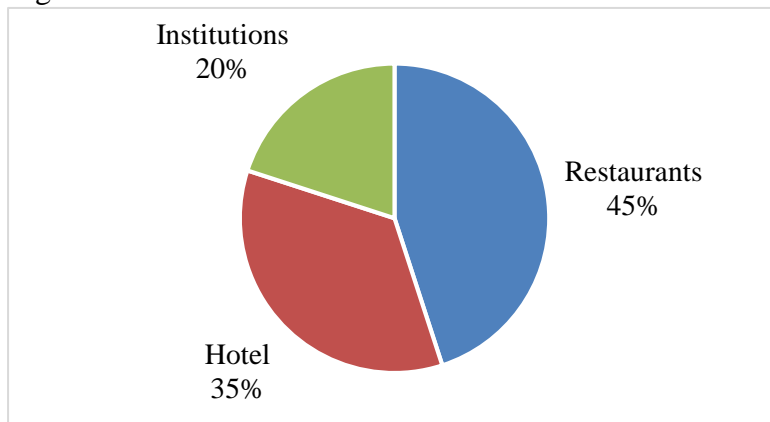
Uganda's retail food industry is dynamic and rapidly growing, driven by economic growth, urbanization, and shifting consumer preferences. The sector is still largely dominated by the informal market. Traditional open-air markets, roadside vendors, kiosks, and small local shops (*dukas*) remain the primary outlets for food sales, especially in rural and peri-urban areas. These informal retailers are popular due to their affordability, accessibility, and flexibility, including offering credit to regular customers.

In contrast, formal retail is steadily expanding in urban centers such as Kampala, Entebbe, Jinja, and Mbarara. Supermarkets and grocery chains are becoming increasingly common, serving the middle- and upper-income segments of the population. Notable players in the formal retail space include Capital Shoppers, Quality Supermarket, Mega Standard, and Carrefour.

Hotel, Restaurant, and Institutional (HRI) Sector

The HRI sector in Uganda plays a vital role in driving demand for food products, particularly in urban centers. It is composed of three main subsectors: hotels, restaurants, and institutions, each contributing uniquely to the overall food service sales.

Figure 3: Distribution of HRI Sector



Source: Industry estimates

Restaurants represent the largest share of the HRI sector, contributing approximately 45 percent of total food sales. This category includes a broad range of establishments, from fast-food outlets and casual eateries to upscale fine dining restaurants. Most of these businesses are concentrated in urban centers. The restaurant subsector is expanding rapidly, driven by urbanization, rising incomes, and changing consumer preferences. Examples range from international fast-food chains like KFC to local eateries serving traditional Ugandan dishes. U.S. suppliers can tap into this growing demand by offering competitively packaged frozen foods, sauces, meat products, baked goods, and beverages.

Hotels account for about 35 percent of food sales in the HRI sector. This segment includes luxury resorts, business hotels, and lodges that cater to tourists, business travelers, and event attendees. These establishments prioritize high standards of food quality and consistency, often sourcing imported products to meet international expectations. Hotels in Kampala, such as Kampala Serena Hotel and the Sheraton Hotel, are well-known for using imported goods to meet the demands of their international clientele. Commonly used food items include premium cuts of beef, dairy products, seafood, packaged foods, baked goods, alcoholic beverages, and processed foods such as sauces and condiments.

The institutional subsector makes up around 20 percent of HRI food sales. It covers food service operations in schools, hospitals, military bases, prisons, and corporate cafeterias. Institutions typically procure food in bulk through long-term contracts or government procurement systems. They emphasize cost-efficiency, shelf life, ease of storage, and nutritional value. Frequently demanded items include dry grains, dry pulses (e.g., beans, lentils) powdered milk, cooking oils, canned products, and fortified foods.

Food Processing Sector

Uganda's food processing sector is relatively small but rapidly expanding, driven by growing investment in value addition. A key area of growth is coffee processing, with multimillion-dollar investments in a new factory aimed at enhancing the value of Ugandan coffee for both domestic and export markets. Planned products include instant coffee, coffee candies, and other coffee-based items. The country also hosts numerous grains milling operations and an increasing number of agro-industrial enterprises. To support this growth, the government is investing in critical infrastructure such as roads, electricity, and fiber optic networks to improve connectivity and boost the competitiveness of the manufacturing sector. Notable examples include Hariss International, a leading beverage producer, and Jesa Farm Dairy, which sources processing inputs from the United States.

Emerging Market Opportunities for Consumer Products

Ready-to-Eat Foods

Urbanization, a growing middle class, and increasingly busy lifestyles are fueling demand for convenient meal solutions in Uganda. Ready-to-eat foods such as packaged snacks, instant noodles, and canned products are becoming popular, especially among working professionals and students in urban centers like Kampala. The expansion of modern retail outlets is also making these products more accessible.

Specialty Products

There is growing interest in niche and premium products, especially among middle upper income consumers. These include organic foods, gluten-free products, and gourmet items. Specialty products cater to both lifestyle preferences and dietary needs, with increasing visibility in high-end supermarkets and hotels.

Healthy Diets

Consumers are increasingly demanding food products marketed as healthy options. These include low-sugar beverages, whole grain cereals, and fortified foods that support better nutrition and wellness. This trend is driven by growing health awareness, lifestyle-related diseases, and a rising middle class seeking healthier dietary choices.

Key Retailers and Sector Growth

Uganda's food retail landscape is a dynamic blend of traditional markets and a rapidly expanding modern retail sector, featuring both local and international players.

1. Modern Retailers: Supermarkets

Modern supermarkets are increasingly shaping consumer habits, particularly in urban areas, due to their emphasis on quality, product diversity, and one-stop shopping convenience. These retail establishments are significant drivers of growth in the broader retail trade sector. The retail trade sector contributes approximately 18 percent of Uganda's GDP, with total sales estimated at \$8.82 billion.

a. International Supermarket Chains

Carrefour is a multinational retail brand that operates a chain of hypermarkets, grocery stores, and convenience stores. In Uganda, it is managed by Majid Al Futtaim. As of 2024, Carrefour has expanded its presence in the country with seven outlets across Kampala and Entebbe, notably through the acquisition of six former Shoprite locations.

b. Local Supermarket Chains

Capital Shoppers and Quality supermarkets stand as prominent locally owned chains, each operating four outlets in Kampala. They distinguish themselves by offering loyalty programs and a strong focus on fresh produce. Other notable homegrown chains contributing to the local retail scene include Mega Standard and Kenjoy supermarkets.

2. Traditional Retail: Local Shops and Open-Air Markets

Local shops and open-air markets, such as Owino market, continue to dominate daily food purchases across Uganda. They collectively retain approximately 50 percent of market share.

Market Trends and Consumer Preferences in Uganda

Consumer demand in Uganda is increasingly shifting toward convenience and quality, particularly among urban populations. This segment largely made up of working professionals is driving demand for ready-to-eat meals, pre-packaged snacks, instant beverages, and frozen food products. The growth of supermarkets and modern retail chains is supporting this transition, offering consumers greater access to diverse and convenient food options.

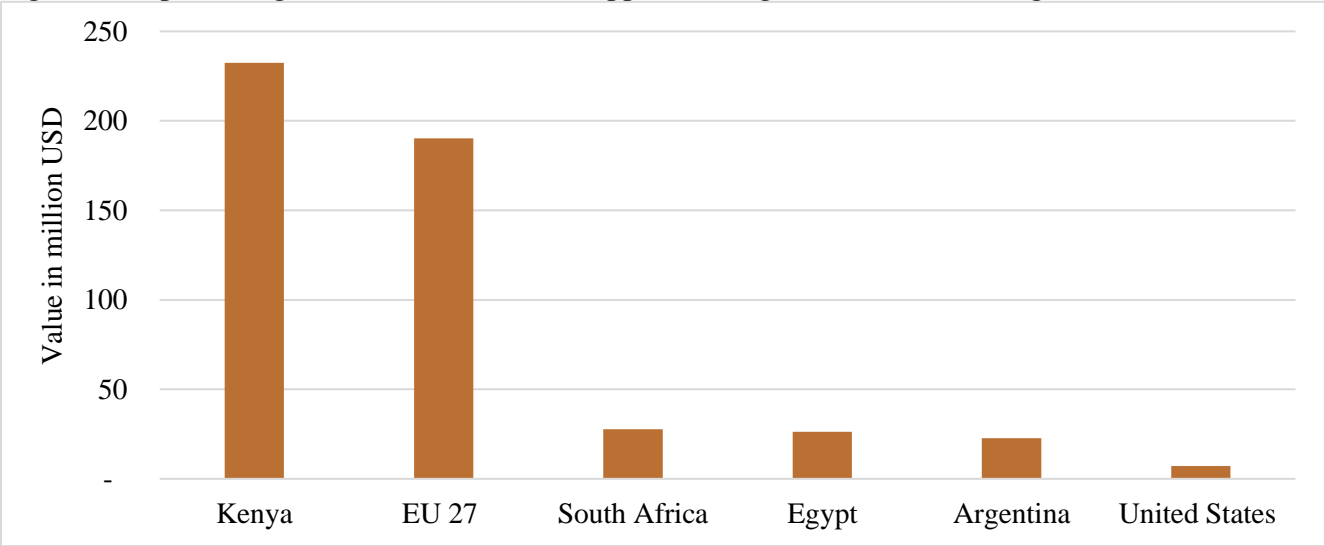
There is also a growing interest in health-focused and specialty food products among affluent urban consumers. Items such as organic, low-sugar, and gluten-free alternatives are gaining traction. However, price sensitivity remains a critical factor across all income levels, making affordability a key determinant in purchasing decisions. In addition, the limited cold chain and refrigeration infrastructure outside major urban centers continues to sustain strong demand for shelf-stable goods, such as canned, dried, and packaged products.

Uganda's retail food landscape is undergoing a digital transformation, driven by increasing smartphone penetration and mobile money usage. E-commerce platforms such as Jumia, Glovo, and SafeBoda have significantly expanded their food and grocery offerings, tapping into the rising demand for convenience and home delivery. These platforms are especially popular among urban, tech-savvy consumers and have become important channels for accessing imported and specialty foods.

Section V: Agricultural and Food Imports

Despite Uganda’s strong agricultural base, it is a net importer of agricultural and food products. This reliance on imports stems from limited processing capacity, seasonal production gaps, and increasing consumer demand for diverse food products not sufficiently produced locally. This import dependence is particularly noticeable in cereals, edible oils, and processed foods, which collectively account for a significant portion of Uganda's annual food import bill.

Figure 4: Top Five Agricultural and Related Suppliers to Uganda 2024, Including the United States



Source: Trade Data Monitor, LLC

Kenya stands out as Uganda’s top supplier, with exports totaling approximately \$232.4 million, significantly ahead of other countries. This robust trade relationship is driven by geographic proximity, and a strong bilateral tie that facilitate the movement of goods. The trade is further bolstered by infrastructure linkages such as the Northern Corridor, though which 80 percent of Uganda’s imports flow. The United States ranks lower, with exports valued at approximately \$7.2 million.

U.S. exports to Uganda remain relatively limited due to factors such as high transportation costs, long shipping time, and competition from geographically closer trade partners. However, the U.S. maintains a presence in niche sectors such as specialized food products, including high-value U.S. dairy products like specialty cheeses, processed snacks and confectionery items, food ingredients, and wines and spirits.

Top Agricultural and Food Import Products

1. Cereals

Cereals represent Uganda’s largest agricultural import category, driven by strong domestic demand and limited local production. In 2024, cereal imports were valued at over US \$250 million, with rice (US \$125 million) and wheat making up the majority. Tanzania remains Uganda’s primary supplier of rice, while wheat is increasingly sourced from countries such as Argentina and Russia.

2. Edible Oils

Edible oils constitute a major share of Uganda's agricultural imports. Palm oil is the most prominent, often imported from Malaysia and Indonesia. Despite some local production initiatives, domestic output still falls well short of meeting growing industrial and household demand.

3. Processed Foods

Processed foods are another significant component of Uganda's food imports. These include a wide variety of products such as confectioneries, instant noodles, packaged snacks, sauces, and canned goods. In 2023, Uganda imported over \$15 million worth of processed food products, primarily from regional suppliers like Kenya, and Egypt as well as global suppliers such as EU, India, Argentina, and the United States. This rising demand is largely driven by urbanization, changing dietary preferences, and the growth of retail outlets catering to a more convenience-oriented consumer base.

Section VI: Key Contacts and Further Information

Government Agencies

Uganda Investment Authority Email: info@ugandainvest.go.ug Phone: +256 414 301000 Website: https://www.ugandainvest.go.ug	Uganda National Chamber of Commerce & Industry Email: info@chamberuganda.com Phone: +256 753 503035 Website: http://www.chamberuganda.com
Uganda National Bureau of Standards Email: info@unbs.go.ug Phone: +256 417 333 250 Website: https://www.unbs.go.ug	Ministry of Trade, Industry and Cooperatives Email: mintrade@mtic.go.ug Phone: +256 312 324 000 Website: http://www.mtic.go.ug
Uganda Revenue Authority Email: info@ura.go.ug Phone: +256 772 140 000 Website: https://www.ura.go.ug	Ministry of Agriculture, Animal Industry and Fisheries Email: ps@agriculture.go.ug Phone: +256 414 320 690 Website: Error! Hyperlink reference not valid.

U. S. Embassy Contact Information

U.S. Embassy - Kampala	U.S. Embassy - Nairobi
Address: Plot 1577 Ggaba Road, Kampala Website: https://ug.usembassy.gov	Office of Agricultural Affairs Address: U.N. Avenue, Nairobi, Kenya Email: agnairobi@state.gov Website: http://www.fas.usda.gov

Appendix:

Table 3: Top Agricultural and Related imports by Country to Uganda (2020 - 2024) in USD

Country	2020	2021	2022	2023	2024
Kenya	238,616,407	226,544,342	233,647,640	241,051,208	232,408,355
EU 27	98,408,615	104,023,423	114,910,784	143,590,218	190,192,308
South Africa	13,296,511	12,687,434	15,150,631	17,838,061	27,710,398
Egypt	17,821,137	24,614,646	29,972,909	32,627,877	26,266,683
Argentina	18,407,658	36,962,362	33,200,317	0	22,785,584
India	31,688,985	16,322,366	15,909,154	20,394,571	20,560,121
Zambia	2,783,227	8,892,389	9,030,965	12,877,768	16,070,421
China	15,272,305	6,567,092	8,377,511	11,322,459	13,500,985
Sri Lanka	2,870,156	5,053,118	4,300,118	7,733,263	9,313,603
Canada	1,465,007	2,461,570	1,903,494	6,551,070	8,093,775
Turkey	7,227,622	11,641,973	11,809,710	9,541,580	7,872,873
United States	3,245,201	4,204,487	7,618,486	6,664,111	7,158,069
United Kingdom	3,543,730	5,252,490	3,969,880	3,407,666	5,145,552
Saudi Arabia	1,519,573	1,584,239	560,653	4,186,328	2,606,339
ROW	54,184,565	81,698,085	60,427,125	36,756,597	15,102,450
Total	510,350,699	548,510,016	550,789,377	554,542,777	604,787,516

Source: Trade Data Monitor, LLC

Attachments:

No Attachments.