

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Uganda

Coffee Annual

Adverse Weather to Cut Uganda's Coffee Production

Approved By:

Shane Townsend

Prepared By:

Kennedy Gitonga

Report Highlights:

FAS/Nairobi forecasts a decrease in Uganda's coffee production in marketing year (MY) 2019/2020 due to anticipated drought conditions in the coffee growing regions. Ugandan exports will likely fall, contributed in part, by the political instability in the Sudan, which is a key export market. These developments will upset the ambitious government of Uganda (GOU) program to grow the coffee sector.

Commodities:

Coffee, Green

Adverse weather to cut production

FAS/Nairobi forecasts a 12 percent drop in Uganda's coffee production in MY 2019/2020 due to expected drought conditions in coffee growing regions. This loss counteracts efforts by the Uganda Coffee Development Authority (UCDA), which has invested in a replanting program, introduction of improved varieties, increasing the efficiency of farm inputs supply, and revamping agricultural extension services.

International traders to consolidate their presence

Due to the full liberalization of the coffee sector, Uganda now has a vibrant private-sector-led coffee industry. Most international coffee trading companies have locally incorporated companies as representatives. These local companies are allowed to purchase coffee from producer organizations or directly from farmers for onward processing and export. Producer organizations aggregate and market coffee from smallholder farmers, but large scale plantations market their coffee directly.

Growth in domestic consumption constrained by low incomes

GOU implements programs to promote coffee consumption in both urban and rural areas. Domestic use accounts for about three percent of the national production. The low consumption is attributed to low purchasing power and an entrenched tea drinking culture. In addition, Uganda has twelve registered coffee plants that roast coffee for the domestic market.

UCDA still implementing the National Coffee Policy

Uganda has for nearly five years implemented the National Coffee Policy, which aims at diversifying markets, promoting sustainable production systems and value addition, and increasing domestic consumption. The policy also aims improving coffee research capacity.

GOU does not levy taxes on Uganda's coffee exports, but UCDA levies a one percent local tax on all locally marketed coffee.

Production, Supply and Distribution (PSD) table

Coffee, Green Market Begin Year	2017/2018		2018/2019		2019/2020	
	Oct 2017		Oct 2018		Oct 2019	
Uganda	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	354	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	560	560	160	160		110
Arabica Production	750	750	800	800		750
Robusta Production	3600	3600	4000	4000		3500
Other Production	0	0	0	0		0
Total Production	4350	4350	4800	4800		4250
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	4910	4910	4960	4960		4360
Bean Exports	4500	4500	4600	4600		4000
Rst-Grnd Exp.	0	0	0	0		0
Soluble Exports	0	0	0	0		0
Total Exports	4500	4500	4600	4600		4000
Rst,Ground Dom. Consum	250	250	250	250		250
Soluble Dom. Cons.	0	0	0	0		0
Domestic Consumption	250	250	250	250		250
Ending Stocks	160	160	110	110		110
Total Distribution	4910	4910	4960	4960		4360

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

Coffee exports to be affected by political instability in the Sudan

Uganda exports the bulk of its coffee to markets outside the East African Community (EAC), with the main export destinations being Italy, Germany, and Belgium. Within EAC, the Sudan is the leading importer of Uganda's coffee, and the political instability in the country is anticipated to affect Uganda's coffee exports in MY 2019/2020. Uganda also exports some robusta coffee to Tanzania for processing at the soluble coffee factory in Bukoba, and packaging for distribution in the local and regional markets.

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

Export Destination	2015/ 2016		2016/2017		2017/2018	
	Quantity (T)	%	Quantity (T)	%	Quantity (T)	%
Italy	41,970	32%	43,410	24%	57, 975	26%
Germany	31,789	24%	35,983	20%	51,114	23%
Belgium	16,888	13%	16,655	9%	19,806	9%
United States	8,532	6%	10,642	5%	15,055	7%
Spain	9,849	7%	13,051	7%	13,704	6%
Morocco	3,2 93	3%	7,970	4%	10,563	5%
India	9,269	6%	13,295	7%	9,317	4%
Portugal	6,650	5%	6,661	4%	6,576	3%
France	4,590	3%	4,516	2%	4,766	2%

Source: GTA