



MAAIF
Ministry of Agriculture
Animal Industry and Fisheries

REMARKS BY

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AT

**THE LAUNCH OF THE NATIONWIDE COFFEE VALUE
CHAIN ACTORS' REGISTRATION**

VENUE: UGANDA MEDIA CENTRE, KAMPALA

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Members of the Media Fraternity

Ladies and Gentlemen,

Good morning!

Coffee is an important crop nationally and globally. Coffee's global annual value is \$465 billion and ranks as the world's second largest revenue earner after oil. Uganda is the 7th largest coffee producer in the world and the second largest producer in Africa. Coffee is one of Uganda's main foreign exchange earners contributing 11-22% of commodity exports in the last 11 years i.e. averaging 14% over the period.

Coffee is grown on an estimated 353,907 hectares of land by about 1.8 million smallholder farmers and 90% of these smallholder farmers own gardens ranging between 0.5 and 2.5 hectares in size. More than 9 million people in Uganda are estimated to derive their livelihood from coffee-related activities along the value chain.

Notably, global demand has been growing at a rate of approximately 2% annually over the last 20 years. Coffee exports for twelve months (Financial year 2023/24) totaled 6.13 million bags worth US\$ 1.14 billion compared to 5.76 million bags worth US\$ 846.02 million in the previous year (Financial year 2022/23). This represents an increase of 6.33% and 35.29% in quantity and value respectively. Italy maintained the highest market share with 41.96% compared to



44.66% last month. It was followed by Germany 10.55%, India 7.41%, Sudan 6.87% and Spain 5.40%.

In FY 2023/24, the 10 major destinations of Uganda coffee took 5,390,551 bags accounting for 87.94% of total exports. Coffee exports to Africa amounted to 987,138 bags in FY 2023/24 accounting for 16% of total exports. African countries that imported Uganda coffee included Sudan, Morocco, Egypt, Libya, Algeria, Kenya and South Africa. Europe remained the main destination for Uganda’s coffees in June 2023 with a 69% imports share. In FY 2023/24, Europe imported 4,023,480 bags of coffee representing 66%.

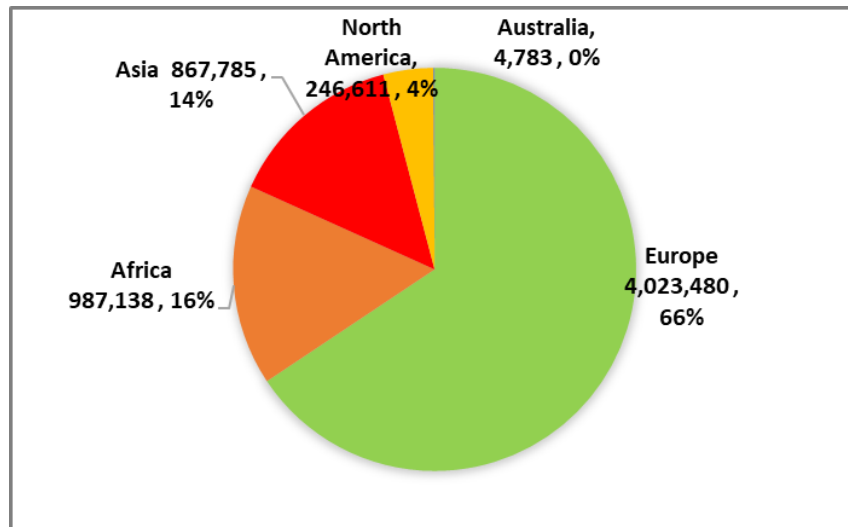


Figure 1 Destination of Uganda's coffee in FY 2023/24





Figure 3 Coffee exports to China from 2019/20 to 2023/24

Different markets have different requirements for coffee imports. For example, imports into China require registration with the General Administration of Customs of the People's Republic of China (GACC), Sudan being a main consumer in Africa requires ISO Certification and submission of annual test results for both physical and biochemical coffee parameters to Sudanese Standards and Metrology Organisation (SSMO) and the European Union requires compliance with the EUDR.

For each of these export market segments, Uganda's approach has been to ensure adherence to the set standards. It is for this reason that we continue to mobilise and offer advisory to the various actors



in the value chain (farmers, traders, exporters, etc.) to act right and comply.

EU Market requirements on exports

On 5th December 2022, the European Parliament approved the European Union Deforestation Regulation (EUDR) aimed at ensuring that supply chains remain free from products contributing to deforestation and forest degradation. The regulation targets seven commodities and their derived products, namely cattle, cocoa, coffee, oil palm, soya, wood, and rubber whether imported or produced within the EU. These commodities will be prohibited from entering the EU market if they are produced on land cleared of forest for agricultural purposes after 30th December 2020.

The EU regulations came into effect on 29th June 2023 and will come into application on 30th December 2024. The regulation is part of the broader efforts intended to combat climate change, biodiversity loss, and environmental degradation.

Ladies and gentlemen, noting that EU represents a primary export market for Ugandan coffee, with over 60% exported to the EU market including Italy, Germany, Spain, Belgium, Portugal, Russia, Switzerland, Sweden and the Netherlands, and that the deadline for compliance to EUDR is 30th December 2024, the Ministry, UCDA, private sector players in the coffee value chain and development



partners have prioritized registration of coffee value chain actors so as to enable traceability of our coffee and prove that our source farms have not contributed to deforestation. It is also to prove that our coffee farming is environmentally friendly and sustainable.

The EUDR requires that all products exported or imported to the EU market are;

- a)** deforestation-free; the production of coffee was done on land that was not subject to deforestation or forest degradation after 30th December 2020.
- b)** produced in accordance with the relevant legislation of Uganda;
- c)** accompanied by a due diligence statement; containing geolocation data adhering to traceability standards that enable buyers to trace each batch of coffee back to its designated land plot.

Fortunately, our newly enacted National Coffee Act, 2021 had already provided for establishment of a national register for coffee value chain actors. This partly answers the compliance requirement in (b) above.

Registration of coffee value chain actors is an essential precursor to the creation of a National Traceability System. Such measures are vital for supporting our coffee farmers, enhancing sustainability, improving market access, and ensuring compliance with both local legislation and international regulations. I would like to emphasize that this registration process is being conducted free of charge by the Uganda Coffee Development Authority (UCDA) and partners and it is not to serve any other purpose apart from enabling the development



of the value chain and access to global markets. When farmers are profiled/registered, extension outreaches and information dissemination become easy.

Registration process

A dedicated Technical Working Group has been established to oversee the effective implementation of EUDR regulations. This group comprises representatives from UCDA, MDAs and private sector.

A Geospatial Monitoring and Evaluation (M&E) System and Farmer Registration Application has been developed. This innovative system will capture geolocation data for all production plots where coffee or related products are cultivated.

A team of enumerators will carry out the registration process on behalf of UCDA and industry players. All coffee value chain actors including farmers, traders, processors etc. will be registered. The enumerators will record essential details of the value chain actors such as their name, farm name and location, type of coffee grown/produced, among others. In addition, enumerators will map farms/gardens by recording their GPS coordinates. UCDA will store and manage the data collected in partnership with NITA(U) and will ensure compliance with the Data Protection Act during the collection, storage and management.

In addition to the efforts towards retaining the existing markets, the Government of Uganda will continue efforts to promote agricultural



products such as coffee to emerging markets including China, Middle East, Maghreb among others.

Appreciation

I would like to thank the Government of Uganda for providing resources for registration of value chain actors. I also thank Development Partners (aBi Development and UNDP) for the funding support and Civil Society organisations for mobilizing farmers.

Appeal

I appeal to all leaders (political, cultural and religious), coffee value chain actors, and district local government leaders to support this registration exercise. It is crucial for ensuring continued access to international markets and effective mapping of coffee farms. I emphasize that this is a win for all.

Further appeal goes to all those who intend to invest in the agriculture sector particularly farming to ensure that moving forward, all agriculture expansion adopts sustainable production practices that preserve the environment.

FOR GOD AND MY COUNTRY