

Uganda: Country Report¹

CHARITY NAMUWOZA² AND HEDWIG TUSHEMERIRWE³

Organic Certified agricultural land and farmers

Currently 226'954 hectares are under organic agricultural management in Uganda (up from 210'245 hectares in 2008/2009).⁴ This was a result of the increase in number of farmers certified organic from 180'746 to 187'893 representing 1.3 hectares per farmer on average. Most of these farmers are smallholder farmers.

There has been a steady increase in certified land and number of organic farmers respectively from 2002/2003, reaching a peak at 2007/2008. More export companies had been acquiring the organic status each year and hence more farmers and certified land. In 2007/2008, the sector saw more companies dealing in cotton with several thousand farmers getting organic certification. Following a government directive to scale down the number of organic cotton projects, however, most of these companies exited and some reduced the number of farmers significantly in 2008/2009. In addition, some companies did not renew their organic certification. The slight increase in the number of farmers and certified land in 2009/2010 is the net effect between the newly certified farmers (mainly coffee and cocoa) and the cotton farmers who lost certification as well as those whose certification was not renewed.

Production

Among the products exported, organic coffee, comprising both Arabica and Robusta, continued to fetch the highest foreign earnings.

Other major organic products exported included cocoa, dried fruits (pineapples, apple bananas, jack fruit, mango and papaya); frozen fruit/pulp (pineapple, passion fruits, apple banana); fresh products (pineapples, apple bananas, passion fruits, mango, jack fruit, plantain, papaya), ginger; sesame, cotton, vanilla, bird's eye chilies, black pepper, cardamom to mention a few. This represents a growth in the product range compared to 2001 when just a few products were exported.

Key institutions/organizations

The key institutions behind the growth of the organic sector is NOGAMU (the umbrella organization that brings together all stakeholders in the organic sector in Uganda), NGOs that are partnering with NOGAMU at a regional level, international consultancy companies

¹ Much of this report is based on the Uganda Organic Statistics Report, 2009/10, published by NOGAMU in December 2010

² Namuwoza Charity, International Marketing Officer, National Organic Agricultural Movement of Uganda (NOGAMU), P.O. Box 70071, Kampala, Uganda, e-mail cnamuwoza@nogamu.org.ug, www.nogamu.org.ug

³ Hedwig Tushemerirwe, Organic Trade Point, National Organic Agricultural Movement of Uganda (NOGAMU), Kampala, Uganda, www.nogamu.org.ug

⁴ On an annual basis, the National Organic Movement of Uganda (NOGAMU) assesses the growth of Uganda's organic sector. This is done through a country survey conducted among all the exporting companies as well government institutions like Uganda Coffee Development Authority (UCDA) and other sub-sector associations which compile production and export statistics of specific organic agricultural products. In 2009/2010, like in the previous years, the data was collected and compiled over a period of two months.

such as Agro Eco Louis Bolk Institute and Grolink that provide organic trainings and technical support, and private export companies that are involved in the mobilization of farmers. This has been mainly using the support of donor funds.

Domestic market

Organic products for the domestic market are sold via a number of outlets: supermarkets like Uchumi, Nakumatt, furthermore restaurants, international schools and open markets. There is a big range of organic products supplied by small scale farmers and processors on the domestic market. These include coffee, bee products, fresh fruits and vegetables, and dried fruits. Over years, the demand for organic products has been growing steadily. For some products such as organic dried fruits, the demand by far exceeds supply. Products like organic arabica coffee are increasingly being consumed in restaurants/coffee shops.

Through a basket delivery scheme of one of the organic outlets (NOGAMU shop), fresh fruits and vegetables and other organic products (e.g., sesame, spices, teas, fruit concentrates) are supplied on an order basis to customers. Customers place their orders by telephone or email and baskets are prepared and delivered to their doorsteps.

In some cases, buyers have come with trucks from Kenya and Southern Sudan to buy fresh fruits and vegetables directly from organic farmers' gardens. In such cases, farmers have even received equivalent or better prices than the export prices for the same products.

Growth in organic exports

The Ugandan organic export sub-sector registered a double-digit growth in 2009/2010 despite the global economic decline. The survey indicated that organic exports in 2009/2010 totaled 36.9 million US dollars up from 30.1 million US dollars, representing an overall growth of 22.7 percent in value, compared to the previous period. This was in part attributed to the increase in volumes (from 47.1 metric tons to 115.6 metric tons) of processed fruits exported, particularly dried fruits and fruit pulp, as well as increased commodity prices, especially for coffee, cocoa, and sesame.

Meanwhile, the overall *volume* of organic exports declined. This was mainly due to decreased organic cotton and fresh products (mainly fruit) exports compared to the previous period.

In 2009/2010, 1'689.5 metric tons of cotton lint was exported compared to 2'955 metric tons in 2008/2009. This was due to a decrease in the number of organic cotton farmers from 78'770 to only 44'076 in 2009/2010 as well as organic cotton export companies from 3 in 2008/09 to 2 in 2009/2010 (6 in 2007/2008). This followed a government directive to scale down on the number of organic cotton projects. On the other hand, exports of organic fresh products (which are largely bulky) decreased mainly as a result of high freight costs, which deter most importers from buying. For instance, much as the Ugandan pineapple is very sweet, its competitiveness in the international market is greatly reduced by the high freight costs and hence less volume has been exported.

The effect of the global economic recession was however felt, considering that the sector grew at a lower rate of 22.7 percent compared to the average growth in the past three years of over 34 percent. In comparison with the overall value of agricultural exports for the country (which dropped in the same period), the organic exports accounted for about 2.4 percent of all exports. Figure 22 shows the trend of growth of the size of the organic sector between 2002 and 2010.

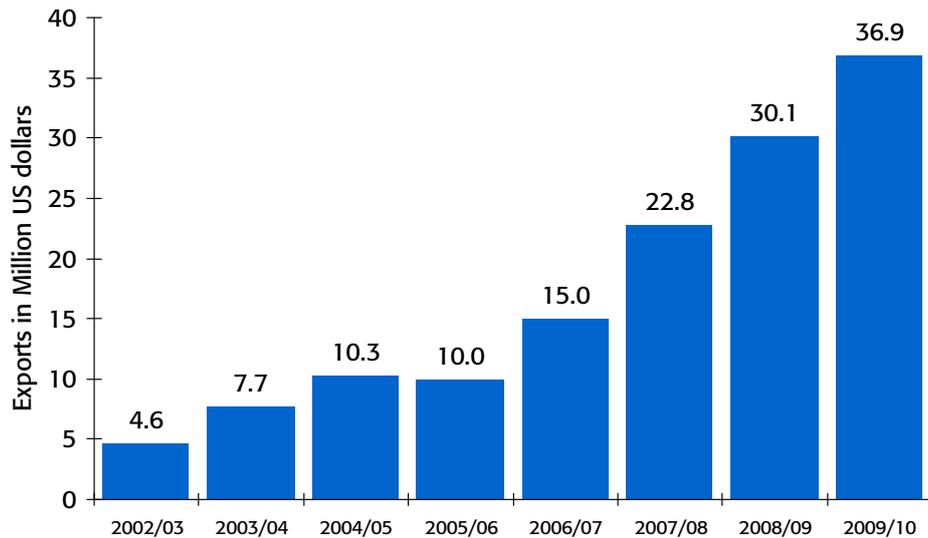


Figure 22: Uganda: Value of organic export in million US dollars 2002-2010

Source: NOGAMU

Export companies and challenges in international trade

The number of certified export companies was 42 in 2009/2010 indicating a decline from 44 in 2008/2009. Twenty-four percent of these companies deal in fresh and dried fruits while the rest deal in commodities and spices.

The NOGAMU (2010) survey indicated a number of challenges, which were highlighted at the individual exporter level and across all companies.

All the companies that deal in fruits reported failure to take advantage of the market opportunities for the highly demanded processed products due to limited processing capacity: 60 percent indicated high cost of packaging materials, 50 percent indicated high air-freight costs, and 40 percent reported high cost of certification as the major challenges.

Sixty-seven percent of the companies that deal in commodities indicated limited supply of products from smallholder farmers and high cost of farmer organization as major challenges. Thirty-three percent reported high organic certification costs as well as lack of crop and trade financing as big limitations for trade.

Other challenges include poor road infrastructure and high cost of borrowing money from commercial banks.

Standards and certification

The stakeholders of the Ugandan organic sector under the coordination of NOGAMU developed the Uganda Organic Standard (UOS), which is in line with the EU regulation. In 2007 an East African Organic Product Standard (EAOPS) and mark (Kilimohai) were developed by the East African countries in harmony with the country organic standards and in line with the EU regulation. The EAOPS has been adopted and own by the East African

Community as a private standard against which products are certified. These products are sold with the Kilimohai mark on the domestic market.

One local certification agency exists in Uganda namely Uganda Organic Certification Ltd. (Ugocert), which was established by NOGAMU in 2004. Besides this national body, international certification agencies such as BCS, IMO, Ceres, Ecocert, and Soil Association offer services in the country.

Government support and organic policy

Despite the Government's good will for organic farming in Uganda, there has been no organic policy put in place. There is a draft organic policy that is still at the top management level of the Ministry of agriculture animal industry and fisheries for presentation to the Government Executive Cabinet for approval. It is hoped that by end of 2011, the organic policy will be in place.

Research, advice, and training

Currently, there is still limited research in the organic sector. This is partly because there is no specific budgetary allocation from the government towards organic research in Uganda. However, as donors or private companies supported initiatives, some research has been conducted on specific areas. NOGAMU has been behind the overall coordination of such initiatives at the general sector level and in collaboration with other private local and international organizations. There has also been research by academic institutions such as Uganda Martyrs University, Nkozi (UMU), and Makerere University (MUK). UMU offers degree and certificate courses in organic agriculture whereas MUK offers a short training in collaboration with BOKU University in Austria.

Conclusion

While the sector faces challenges, it is projected to grow further given the increasing market opportunities for organic products, the major driving force for companies engaging in international organic trade. If the above mentioned challenges are addressed in the medium term, the sector is capable of growing at a higher rate of 60 percent per annum, if the number of farmers doubles, land under organic management doubles, and the organic policy is put in place.

Further reading/Sources

- NOGAMU (2010): Uganda Organic statistics Report, 2009/10. NOGAMU, Kampala