



german
cooperation

DEUTSCHE ZUSAMMENARBEIT

Implemented by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

In cooperation with

IFOAM
ORGANICS
INTERNATIONAL

ProFound
ADVISERS IN DEVELOPMENT



Boosting Organic Trade in Africa

Market analysis and recommended strategic interventions to boost organic trade in and from Africa

COUNTRY MARKET BRIEF FOR UGANDA

This Market brief series is based on a study commissioned by IFOAM – Organics International in 2020 in order to better understand possible interventions that can promote market development and trade of organic produce in Africa.

The study was financed in the framework of the global project “Knowledge Centre for Organic Agriculture in Africa” (KCOA). The objective of the project is to establish five knowledge hubs that promote organic agriculture in Africa by disseminating knowledge on the production, processing and marketing of organic products as well as shaping a continental network. The project is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Ministry of Economic Cooperation and Development (BMZ) as part of the special initiative ONE WORLD – No Hunger.

Imprint

Published by the

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices

Bonn and Eschborn, Germany
Global project Knowledge Centre for
Organic Agriculture in Africa
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn, Germany
T +49 61 96 79-0
F +49 61 96 79-11 15
E info@giz.de
I www.giz.de/en

As at

Bonn / Eschborn, 2020

Design

DIAMOND media GmbH
Neunkirchen-Seelscheid

Photo credits

AdobeStock, iStock.com (Ozbalci), shutterstock.com (DstockIL, Gunter Nuyts, Travel Stock)

Text

ProFound Advisers in Development, Utrecht & Organics & Development, Markus Arbenz, Winterthur
Responsible: Dorith von Behaim, Eschborn

Referencing this report:

ProFound Advisers in Development, Organics & Development, Markus Arbenz (2020),
Boosting Organic Trade in Africa, IFOAM – Organics International, Bonn /
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Bonn / Eschborn.

GIZ is responsible for the content of this publication.

On behalf of the

German Federal Ministry for Economic Cooperation and Development (BMZ)
Division 124 – Rural Development, Land Rights, Forests
Dr. Maria Tekülve, Berlin



Fruits and vegetables offered at Mpanga Market in Fort Portal

INTRODUCTION

The Uganda Market brief is part of a series with 12 specific Market briefs. They include information on the status of the organic sector and on the development of organic agricultural production and trade. They also provide deeper insight into how the organic market is organised: supply and demand dynamics including trends, supporting functions available and rules and regulations. All this is relevant information when trading with or in African organic markets.

The objective of the Market briefs is to inform national, regional and international specialists and interested public about the potentials of trade in organic products in and with African countries. The insights gained will facilitate the identification of possible interventions and opportunities and help to further build the organic sector in Africa.

This Market brief focuses on the organic market of Uganda. The complete series includes the following Market briefs:

1 Regional Market brief covering the 5 regions of the African continent: Southern, Eastern, Central, West and North Africa.

8 Country Market briefs covering the countries: Burkina Faso, Egypt, Kenya, Morocco, South Africa, Togo, Tunisia, Uganda

3 Product Market briefs covering the value chains: Coffee, Tropical fruits, Shea

Overview and development

Uganda has been frequently quoted as a success case in organic development. Facilitated by development projects (most notably with the support of the Swedish Government), the country is seen as an example of how organic export opportunities have been used for livelihood and value chain development, also putting emphasis on local market development. Statistics show Uganda as one of the world leaders in terms of the number of organic producers (after India, depending on the year similar to Mexico and Ethiopia, yet before Kenya and Tanzania)¹.

Recent interest in agroecology and organic farming in Uganda originates in the early promotion of organic farming in the 1980s, pioneered by organic/biodynamic farms such as the Amfri Farm, which is still operational. Collaborative efforts within the organic movement stem from that time, when agriculture for most farmers was largely 'organic by default' out of poverty, and because of the civil war (with a ban on import of all inputs/chemicals). Uganda is therefore also often seen as a platform for international agroecology (academic) debates. Organic certification in Uganda dates back to 1993 with organic cotton, and in the meantime the sector has grown to more than 200,000 certified organic farmers, mostly smallholders.

Uganda has no specific agroecological or organic policies, and a draft organic policy has not yet been approved. The development of Uganda's organic sector was driven by local organic stakeholders, supported by international development efforts. This led to the establishment of organic production and international market linkages. Key actors in this process were the National Organic Agricultural Movement of Uganda (NOGAMU), which is the umbrella organisation for all organic sector stakeholders in Uganda, non-governmental organisations (NGOs), international experts and private export companies that mobilised farmers.

Together, they developed the Uganda Organic Standard (UOS) in line with the European Union (EU) organic regulation. Subsequently, in 2007 the East African Organic Products Standard (EAOPS) and mark (Kilimohai) were developed by East African countries. The EAOPS has been adopted by the East African Community as a private standard for organic certification. Products are sold with the Kilimohai mark on the domestic market, yet never got the equivalence status of the EU. Uganda has one local certification agency, Ugocert (Uganda Organic Certification Ltd.), which was established by NOGAMU in 2004.

However, in 2017 Ugocert lost its accreditation with the EU, and did not re-apply. Its activities are therefore limited to the local market, and exporters have to rely on international certification bodies. Besides NOGAMU, new organisations and initiatives appeared in the organic sector in recent years. These are, amongst others, Eco Terra Alliance Uganda (ETAU; registered in August 2018 to promote and coordinate organic agriculture stakeholders), and GIZ's Knowledge Hub for Organic Agriculture in Eastern Africa, implemented by the NGOs Biovision Africa Trust and Participatory Ecological Land Use Management (PELUM) Uganda.

¹ Kundermann, B. and Arbenz, M. (2020). Agroecology – A Rapid Country Assessment.

Grains of ripe coffee beans



Uganda's organic production

Infographic Uganda's organic production



Organic certified agriculture land:
262,282 ha (converted and under conversion)



Organic certified other areas (wild collection):
158,328 ha



Percentage of Agriculture
1.82%



Organic producers:
210,352 including 9,237 producers organised in 14 PGS² groups, plus 15 processors and 14 exporters

² Participatory Guarantee Systems (PGS) are locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange. More information can be found here: www.ifoam.bio/pgs

List of main products (up to 20 products) that are produced:

- **Coffee** (65,570 ha or 17.1% of total coffee area)
- **Oil seeds** (44,587 ha or 4.2% of total oilseed area); Sesame, Chia
- **Cocoa** (19,092 ha or 32% of total cocoa area)
- **Cotton** (13,114 ha)
- **Organic vegetables** (5,245 ha or 2.1% of total vegetable area)
- **Tropical fruits**
- **Vanilla**
- **Shea nuts**
- **Fresh herbs**

**List of active certification bodies:**

- Certification of Environmental Standards (CERES) ■ Control Union ■ Demeter International
- Ecocert ■ Institute for Marketecology (IMO) ■ Organic Crop Improvement Association (OCIA)
- Soil Association Certification ■ Uganda Organic Certification (UgoCert)

Data in above table are based on Research Institute of Organic Agriculture - FiBL (2018) statistics unless mentioned otherwise.

Table: Products and production in Uganda

Products	Area (ha)	Volume (t)	Export value (CIF in €)	Remarks
Shea nuts (cultivated)	a) 78,684	n/a.	n/a.	
Coffee	a) 65,570	n/a.	n/a.	
Sesame	a) 39,342	n/a.	n/a.	
Cocoa	a) 19,092	a) 1,320	n/a.	
Cotton	a) 13,114	n/a.	n/a.	
Vanilla	a) 5,245	n/a.	n/a.	
Chia	a) 5,245	n/a.	n/a.	
Fresh herbs	a) 5,245	n/a.	n/a.	
Tropical fruits	a) 2,072	n/a.	n/a.	

a) FiBL (2018) statistics

Analysis

Development of the organic sector in Uganda experienced ups and downs, with a peak of nearly 3,000 km² of organic agriculture land in 2007/08. After a year of strong decline in organic cotton area, the organic area steadily increased again to a total of 2,600 km². The number of organically certified export companies in 2009/2010 amounted to 48. This number then declined steadily while the area and the number of producers increased slowly. Exports of organic products were estimated at USD 7.5 million in 2003/2004 growing to USD 36.9 million in 2009/2010. Exports of organic products initially started with pineapples and sweet bananas, and soon after included coffee (both Arabica and Robusta), cotton, cocoa, sesame, vanilla, ginger, passion fruits, mango, jack fruit, plantain, papaya, dried/frozen/pulp fruits (pineapples, apple bananas, jack fruit, mango and papaya), bird's eye chilies, black pepper, cardamom as well as essential oils, honey and hibiscus tea.

Challenges reported include the high costs of packaging materials, airfreight and certification. Many exporters see the limited supply of products from smallholder farmers, and the high costs of organising farmers as a challenge, alongside poor road infrastructure and high capital investment costs. Moreover, organic cotton cultivation became more restricted.

Agricultural terraces in Kabale District



Uganda's organic market

Infographic Uganda's organic market



Main products for interregional export markets:
Coffee, Cocoa, Sesame, Chia



Main products for domestic and regional markets:
Shea nuts, Vegetables, Fruits



Total volume of the exports:
16,616 tonnes in 2019 to EU
& 891 tonnes in 2019 to USA

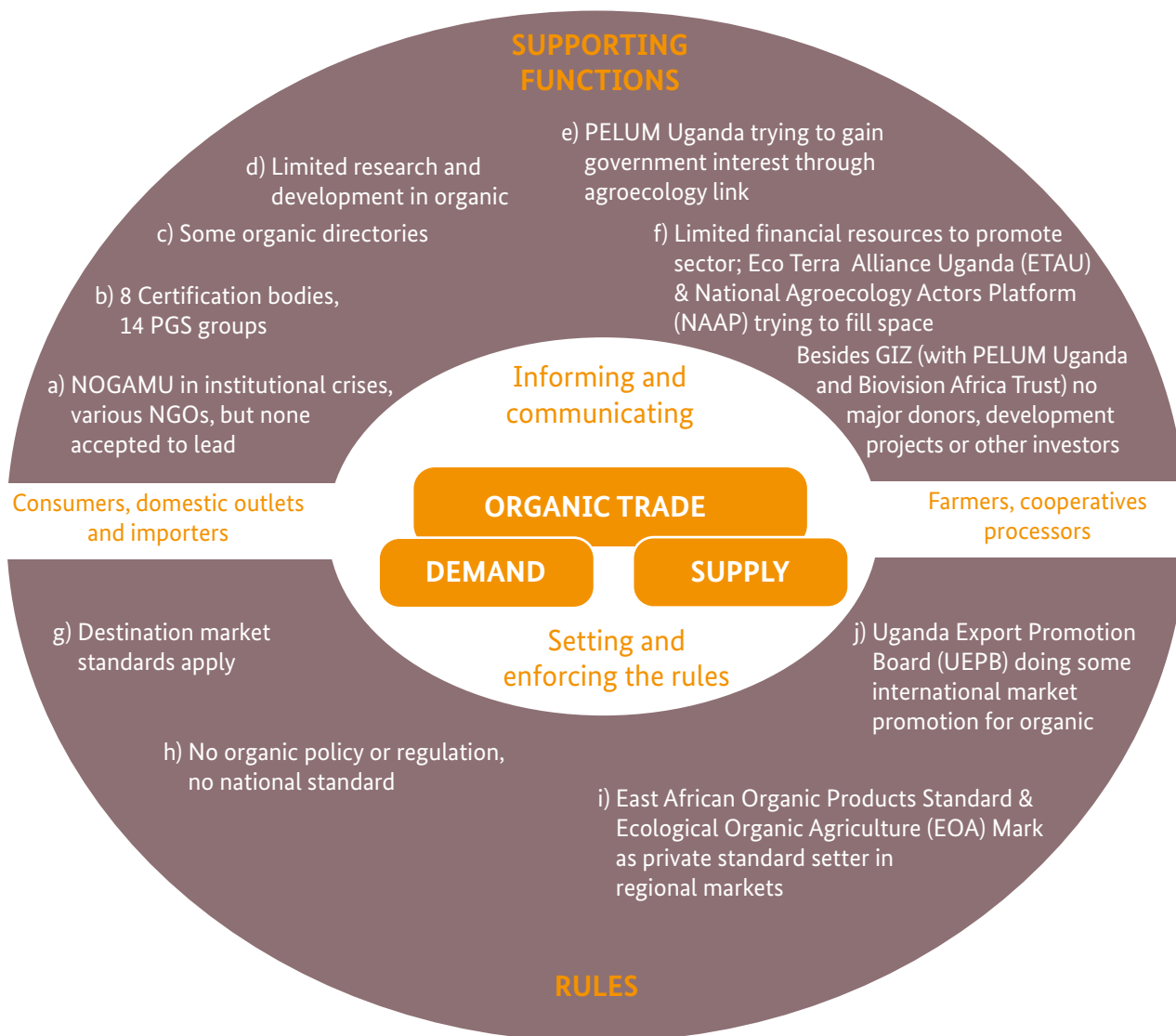


Total value of the exports:
50 million EUR in 2018 to EU
& 2.9 million USD in 2019 to USA



Number of operators that are exporting from Uganda: **14**

Data in above table are based on FiBL (2018) statistics unless mentioned otherwise.



Letters in the doughnut refer to:

- | | |
|--|-----------------------------------|
| a) Organic umbrella | f) Promotion & PR |
| b) Certification, Internal Control Systems & PGS | g) Export Standards |
| c) Trade Facilitation | h) Private Standards & Regulation |
| d) Research and Advise | i) Promoting Policies |
| e) Advocacy | j) Trade Governance |

Supply chains' demand

Organic products for the domestic market are sold through a number of outlets: supermarkets, restaurants, international schools and open markets. A wide range of organic products is supplied by small scale farmers and processors, including coffee, bee products, fresh fruits, vegetables, and dried fruits. Over the years, local demand for organic products has been growing steadily. For some products such as organic dried fruits, the demand exceeds supply. Products like organic arabica coffee are increasingly consumed in local restaurants and coffee shops. Demand by consumers for 'food-safe' products can be a good driver for local organic markets to grow, and compliance systems such as PGS can be a good driver for traceability and transparency, as well as for giving farmers a better return on their hard work with fair pricing.

Supply chains' supply

Some policies and activities of the government have indirectly and directly contributed to the sector's success, such as economic liberalisation policies, which the government implemented in the late 1980s and early 1990s. This allowed foreign and local private enterprises to invest and foster the growth of the sector. Another related policy is the NGO Act (1999) which recognised NGOs as agents of nation building and empowered them to mobilise resources from within and outside the country to achieve their nation-building objectives.

Although the sector faces challenges, it is projected to grow further, given the increasing market opportunities for organic products, a major driving force for companies to engage in international organic trade.

Market place

Uganda is a sizeable producer for local and international markets. In recognition of the role of organic exports in the economy and to foster competition among organic stakeholders who are producing for export. A national organic policy for the country has been drafted. Obstacles to utilizing the full potential of the country's organic sector include agrochemical input subsidies, the promotion of GMO foods, and the past use of DDT for malaria control leading to the loss of the certification status of some 15,000 organic farms.

Supporting functions

As outlined in a PhD study of the Iowa State University³, the success story of Uganda's organic agriculture was mainly driven by the effective institutional arrangements put in place by NOGAMU in collaboration with international development organisations such as Swedish International Development Cooperation Agency (Sida) with its project Export Promotion of Organic Products from Africa (EPOPA) as a major driver, the Dutch Humanist Institute for Cooperation with Developing Countries (Hivos), the Dutch Centre for the Promotion of Imports from developing countries (CBI), the German Development Cooperation (GIZ / KfW), the International Trade Centre (ITC), the United Nations Environment Programme / United Nations Conference on Trade and Development (UNEP / UNCTAD), and IFOAM – Organics International. Presently, there is no donor with specific agroecology projects, except for GIZ's Knowledge Hub for Organic Agriculture in Eastern Africa, implemented by the Biovision Africa Trust in cooperation with PELUM Uganda.

The aforementioned organisations have helped to (1) organise and coordinate the country's organic sector; (2) initiate organic market development and create awareness; (3) conduct training and research; and, (4) help formulate Uganda's national organic standard and develop organic certification and services.

The PhD study further mentions that the full potential of the organic sector is not yet being realised. The final draft copy of the country's national organic policy (released in 2011) has yet to be approved, action plans to guide development of the organic sector are to be formulated. Further potential lies in research projects, organic extension services or incentives for 'going organic.' Private actors were able to mobilise and invest certain resources in the sector.

³ Adebisi, J.A. (2014). Organic agriculture development strategies in Tunisia and Uganda: Lessons for African organics.

Stalls with fruits and vegetables at Owino Market in Kampala



<p>Certification, ICS⁴ and PGS: There is no legislation that regulates agroecology / organic farming. NOGAMU developed the Uganda Organic Standard (UOS), which is in line with the EU regulation. The East African Organic Products Standard (EAOPS) and mark (Kilimohai) are also in place. In addition, there are 14 PGS groups, together representing some 9,237 producers in 2018.</p>	<p>Advocacy: Uganda has many local civil society organisations that (directly or indirectly) have been driving the development of the organic sector in the country. Besides NOGAMU as an umbrella organisation bringing together all stakeholders in Uganda’s organic sector, there are organisations like PELUM Uganda, Kulika Uganda, the Rucid Organic Agriculture Training College, the Sustainable Agriculture Trainers Network (SATNET), Caritas Uganda etc.</p> <p>Interventions include capacity building and training in organic farming techniques; provision of extension services and organising farmers for organic production; establishing organic farming enterprises for small-holders; production and market support; awareness raising and lobby & advocacy campaigns for organic and sustainable farming friendly policies.</p> <p>In light of the uncertain future of NOGAMU, new organisations such as the Eco Terra Alliance Uganda (ETAU) try to fill the gap now. In May 2019, PELUM Uganda initiated the National Agroecology Actors Platform (NAAP), based on an initiative of the Food and Agriculture Organisation of the United Nations (FAO). Together with a broad range of grassroots organisations, donors and government support, the initiative aims at scaling up agroecology.</p>
<p>Trade Facilitation Services: The Uganda Export Promotion Board (UEPB), in recognition of the role of organic exports in the economy, and to foster competition among organic operators producing for export, introduced the ‘Best Organic Exporter and Organic Fruits and Vegetable Exports Awards’. The UEPB also co-organised buyer tours whereby European organic buyers visited Ugandan producers.</p>	<p>Research and Advice: There is limited public research in the organic sector. There are, however, some academic institutions such as the Uganda Martyrs University (UMU), African Centre for Agroecology and Livelihood Systems (ACALISE), Nkozi and the Makerere University (MUK); the Swiss Research Institute of Organic Agriculture (FiBL) does international research. UMU offers degree and certified courses in organic agriculture; together with MUK and in collaboration with the Austrian University of Natural Resources and Life Sciences, Vienna (BOKU) the yearly International Training Course on Organic Agriculture (ITCOA) is offered. In 2020, it was supported by GIZ’s global project Knowledge Centre for Organic Agriculture in Africa.</p>

⁴ Internal Control Systems



Uganda is one of the world's largest banana producers

Rules

Export Standards, Private Standards and Regulations: The local certification agency Ugocert lost its EU accreditation for certification. Exporters have to rely on international certification bodies such as the German company Kiwa BCS, the Swiss Institute for Marketecology (IMO), the German company Certification of Environmental Standards (Ceres), the French organisation Ecocert, the British Soil Association Certification Limited, and the US-American Organic Crop Improvement Association (OCIA).

Trade Governance: The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) is the mandated Ministry for trade governance concerning agriculture and hence organic produce. There are no specific policy outlines for the organic sector.

Promoting Policies: Best Organic Exporter and Organic Fruits and Vegetable Exports Awards within the President's Awards for Exports.

Conclusions

Though Uganda used to be a strong player in organic production and trade, this slowed down and reversed in recent years. Demand continues to be strong, but the limited supportive environment has somewhat restrained growth perspectives.

At the same time, the future of NOGAMU is uncertain. New organisations such as the Eco Terra Alliance Uganda (ETAU) and GIZ's Knowledge Hub for Organic Agriculture in Eastern Africa co-implemented by the Biovision Africa Trust and PELUM Uganda) try to fill this gap. In May 2019, PELUM Uganda initiated the National Agroecology Actors Platform (NAAP) to scale up agroecology. Uganda has about 14 PGS groups, which is the highest number in Africa. There is limited information available on the system, the groups, and national support for the system. It is interesting to compare with upcoming 'organic country' Ethiopia, which showcases how PGS as a local appropriate form of 'certification' has proved to be successful

for organic producers and consumers. It is now a functioning certification scheme based on trust and registration by the Organic Desk of the Ministry of Agriculture. This can help to reduce the relatively high cost of certification.

Very little is known concerning trade data or the potential for organic trade fairs in Uganda. There is some networking and association through Kilimohai as a regional mark (with an online organic market place), representing the East African Organic Products Standard. To access major international markets, however, exporters still have to rely on international certification bodies.

It will be important to draw in the private sector as a driver for developing the organic sector. There is a strong rationale for inviting the private sector in order to help set the stage for Uganda's organic policy and priorities (products and markets, diversification and value addition/processing).

Man harvesting tea leaves in Kabarole District

