The Future of Uganda Coffee

...... So Bright but so Frightening....

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On

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Uganda is ranked as the **first Commonwealth** producer of coffee in the world.

- 2\textsuperscript{nd} African producer.
- 8\textsuperscript{th} world producer.
- 1\textsuperscript{ST} exporter in Africa.
Uganda Coffee Industry

Today
= A Snapshot =

- Number of farming families
- Exports (2019/2020)
- Revenue (2019/2020)
- Road Map
- New Coffee Law

Uganda has 1.8 million coffee farmers, 18% of the world’s total

Coffee Roadmap: Nine key initiatives to catalyze transformation

Initiative
1. Build structured demand through country-to-country deals, especially with China
2. Brand Uganda coffee to drive demand and improve value by up to 15%
3. Support local coffee businesses for value addition, including primary processing and a soluble coffee plant
4. Strengthen farmer organizations and producer co-operatives to enhance commercialization for smallholder farmers and ensure broad access to extension, inputs, finance, and aggregation
5. Support joint ventures between middle-class owners of underutilized land and investors to develop coffee production
6. Provide and promote concessions for coffee production on large underutilized tracts of land
7. Develop coffee finance programme with Central Bank and Treasury to provide financing to farmer organizations (including on-lending to smallholders), coffee businesses, and investors
8. Improve quality of planting material (seeds and seedlings) through strengthened research and multiplication of improved varieties
9. Improve access to quality inputs by reducing counterfeiting (fertilizer, pesticides, herbicides) from current 40-60%

SOURCE: Uganda Coffee Lab, McKinsey analysis

April 2017
Key Industry Challenges

Water for production and the Climate change

Access, quality and affordability of inputs

Finance access & affordability
Key Opportunities

Productivity

The Specialty Market

Domestic Consumption

Source: Kantar
Risks Today and Tomorrow

Growing Population

Aging Farmer

Environmental Degradation [Climate Change]

Emerging Diseases and Pests
Future Looks Promising

Volume Increasing

Farmer Associations

CONCLUSIONS

Specialty Front through Certification and Quality is the Future

Climate Change