

**Uganda Arabica Coffee Value Chain:  
Development Opportunities & Challenges**

Sheraton Hotel, Kampala, Uganda

20<sup>th</sup> March 2018

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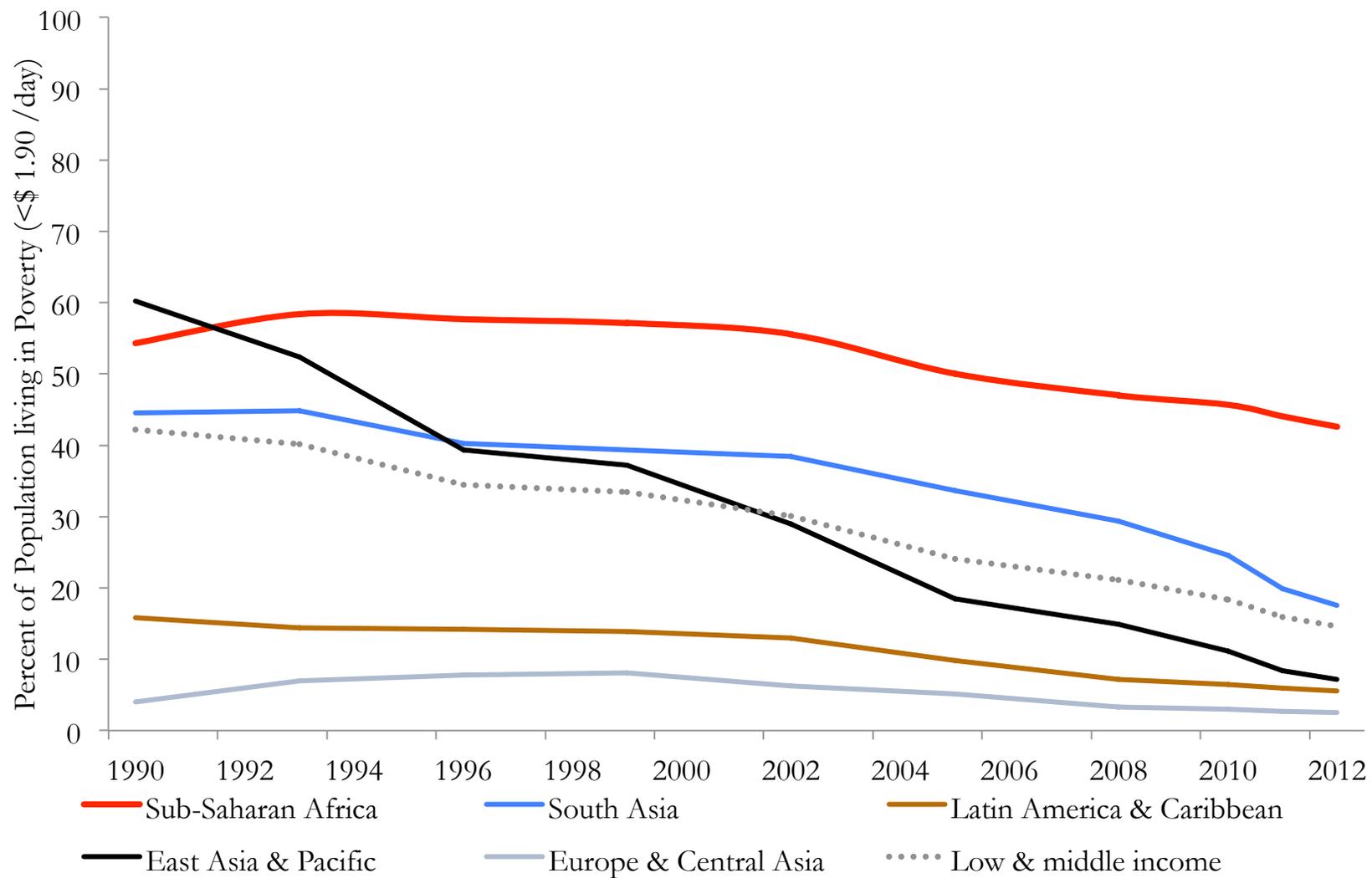


# Outline

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1. **Big picture:** why should we care about Coffee in Uganda, especially *Arabica*
2. **Uganda's Coffee Sector:** market potential from observations in the East
3. **Comments** from Kyagalanyi + reaction from the floor
4. **Uganda's Coffee Sector:** Western Uganda's *Arabica* Opportunity [Martin Sprott to discuss]
5. **Comments** from Bukonzo Join Cooperative + reaction from the floor

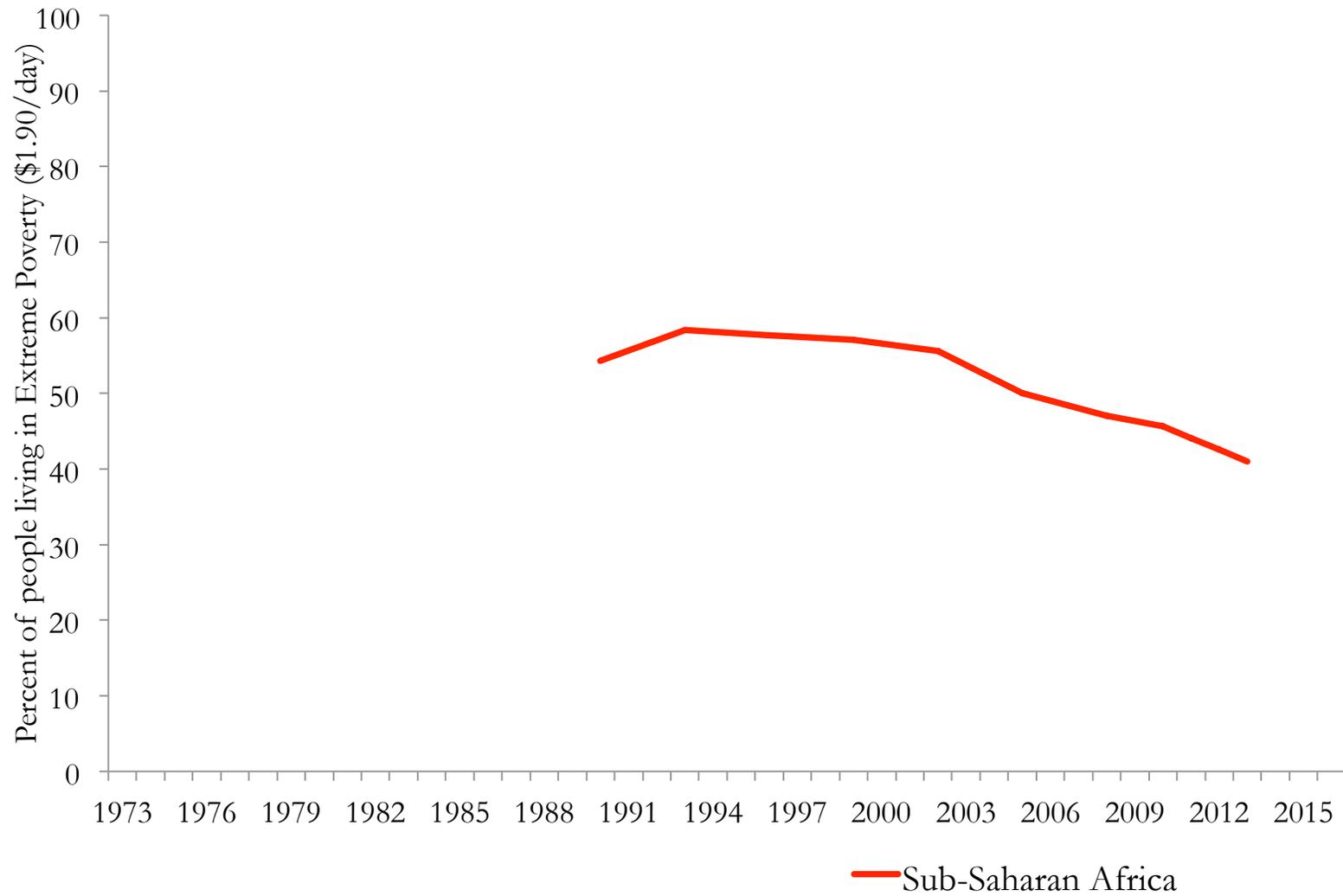
# Poverty reduction in Africa lags other regions



Source: WDI 2016

# Within Africa

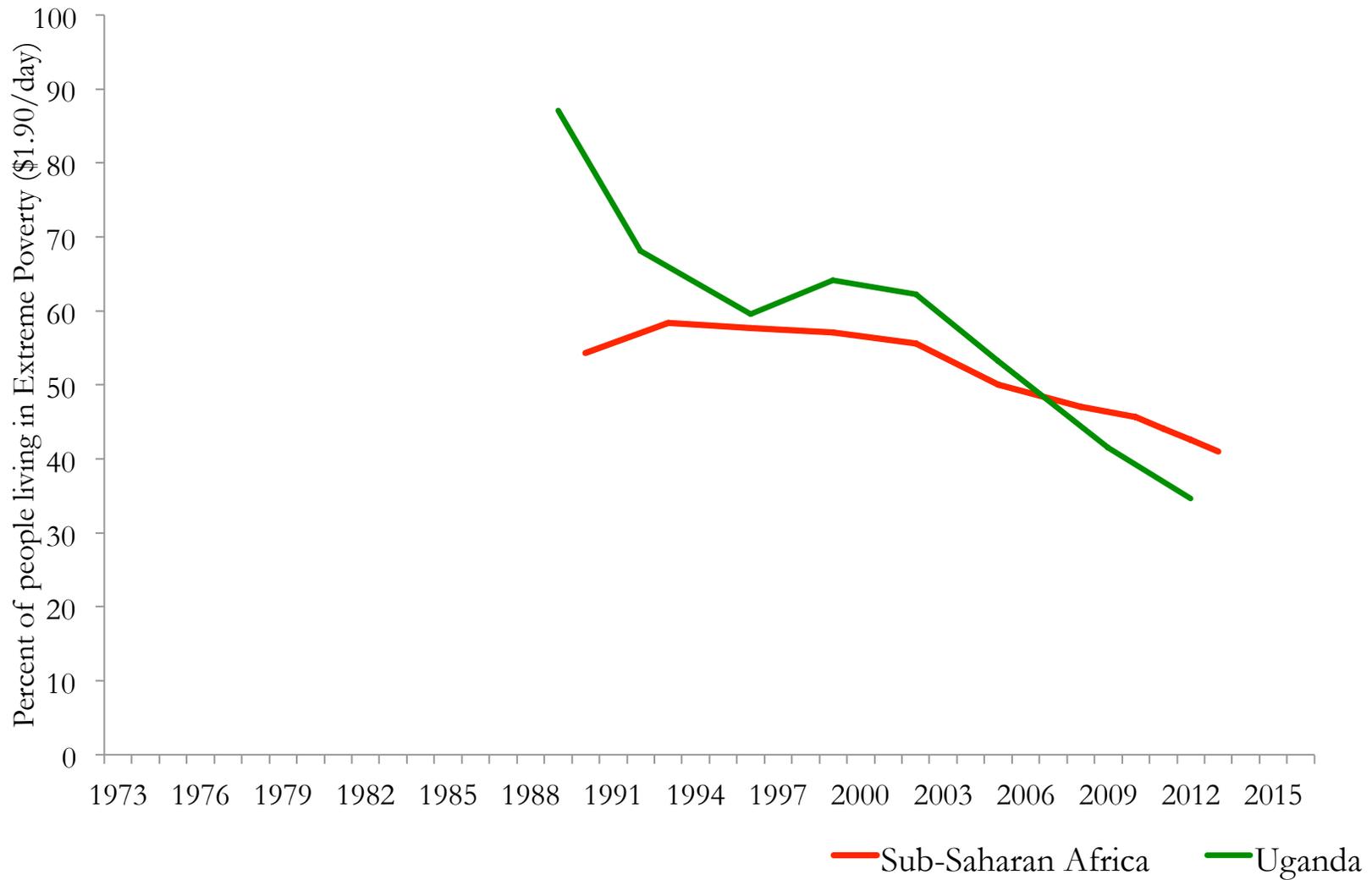
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Source: WDI 2016

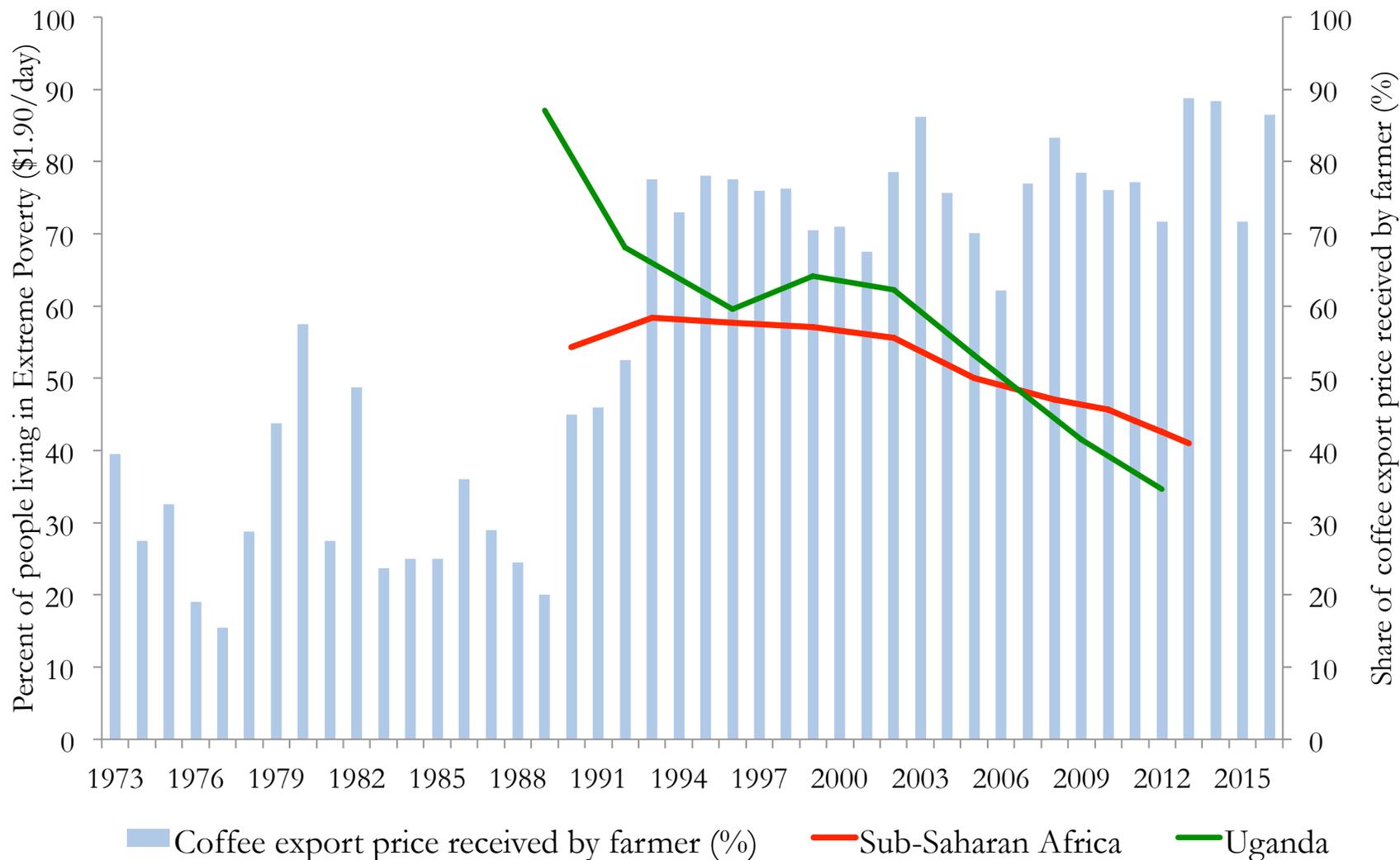
# Within Africa: Uganda impressive progress

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Source: WDI 2016

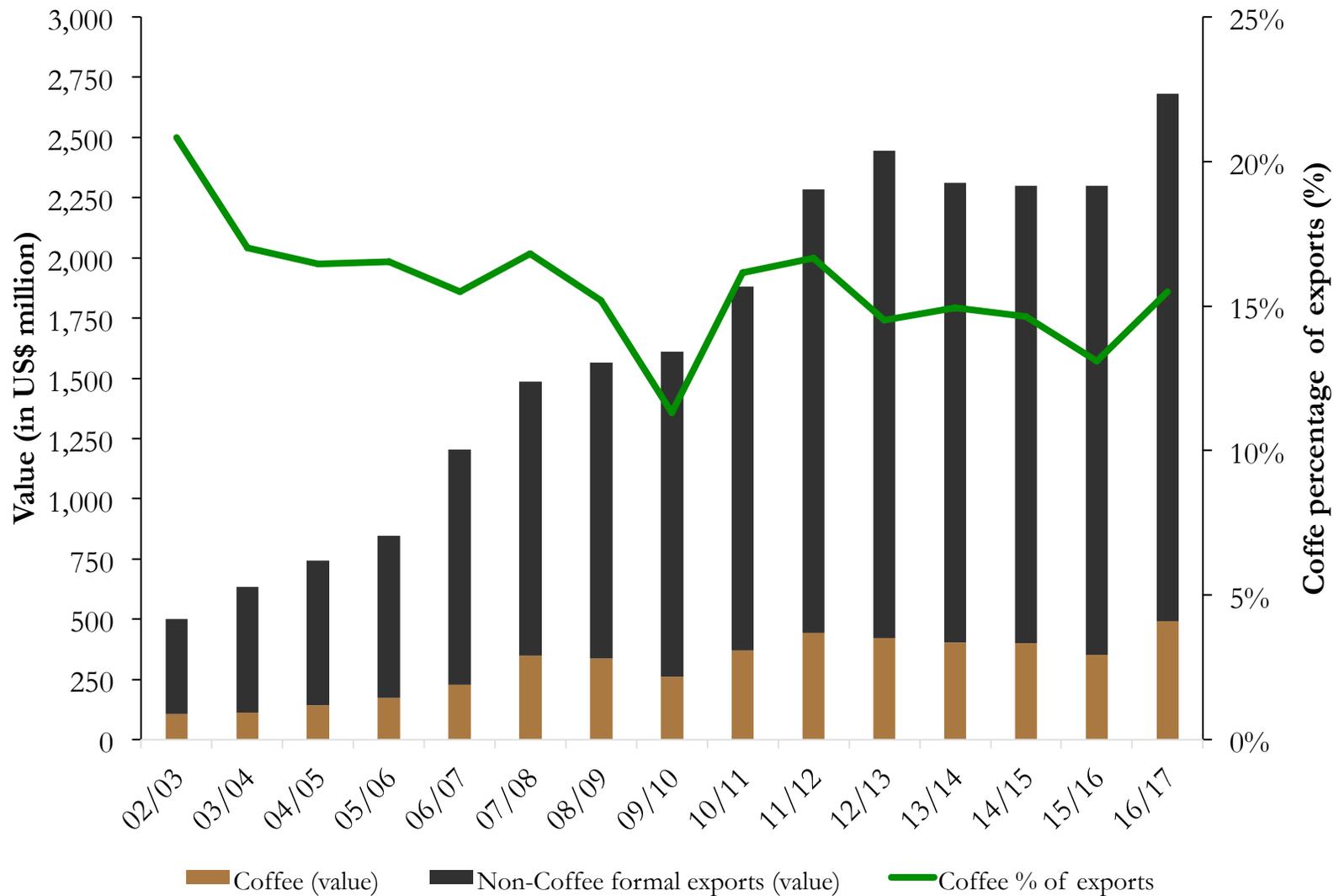
# Within Africa: Uganda impressive progress, benefits of 1990s agricultural reform



Source: WDI 2016, Bibangambah (1996), Akiyama (2001), authors calculations on UCDA reports (various), Bank of Uganda

# Coffee has been a stable contributor to export earnings

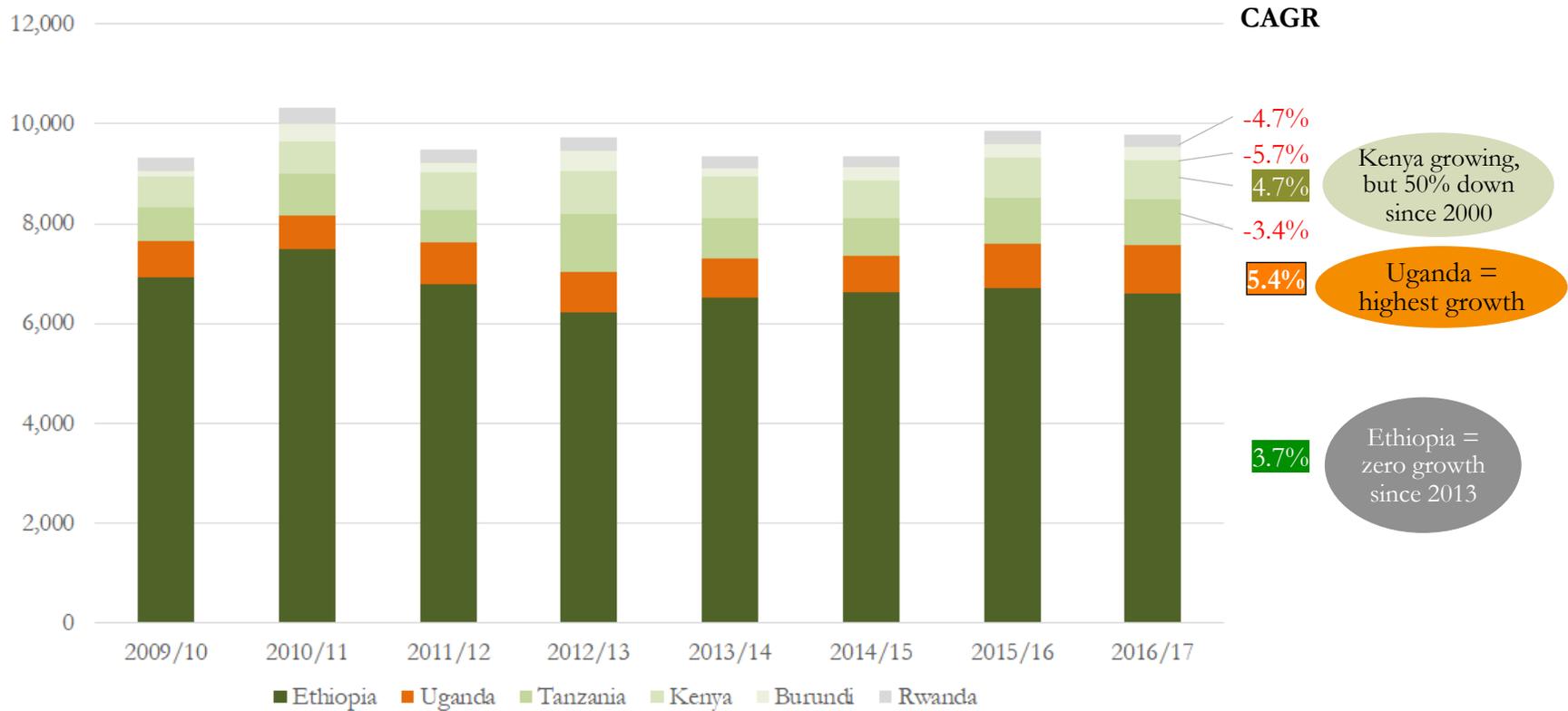
*16% of total export earnings since 2005*



Source: Bank of Uganda

# Uganda Arabica

*Most dynamic market in East Africa with highest growth potential*

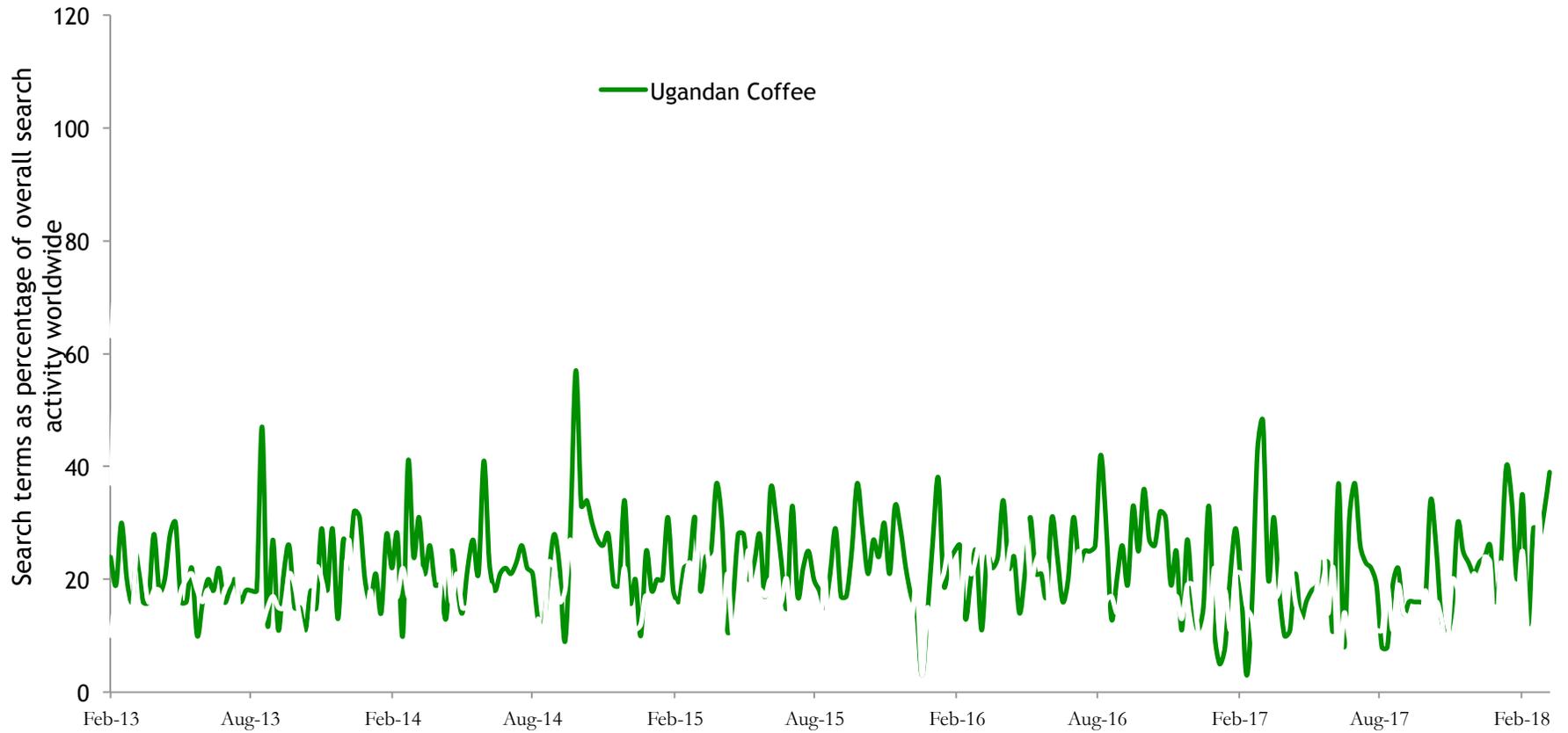


Source: ICO; y-axis is '000 of 60 kg bags

# Uganda Coffee searches

## *Google Trends*

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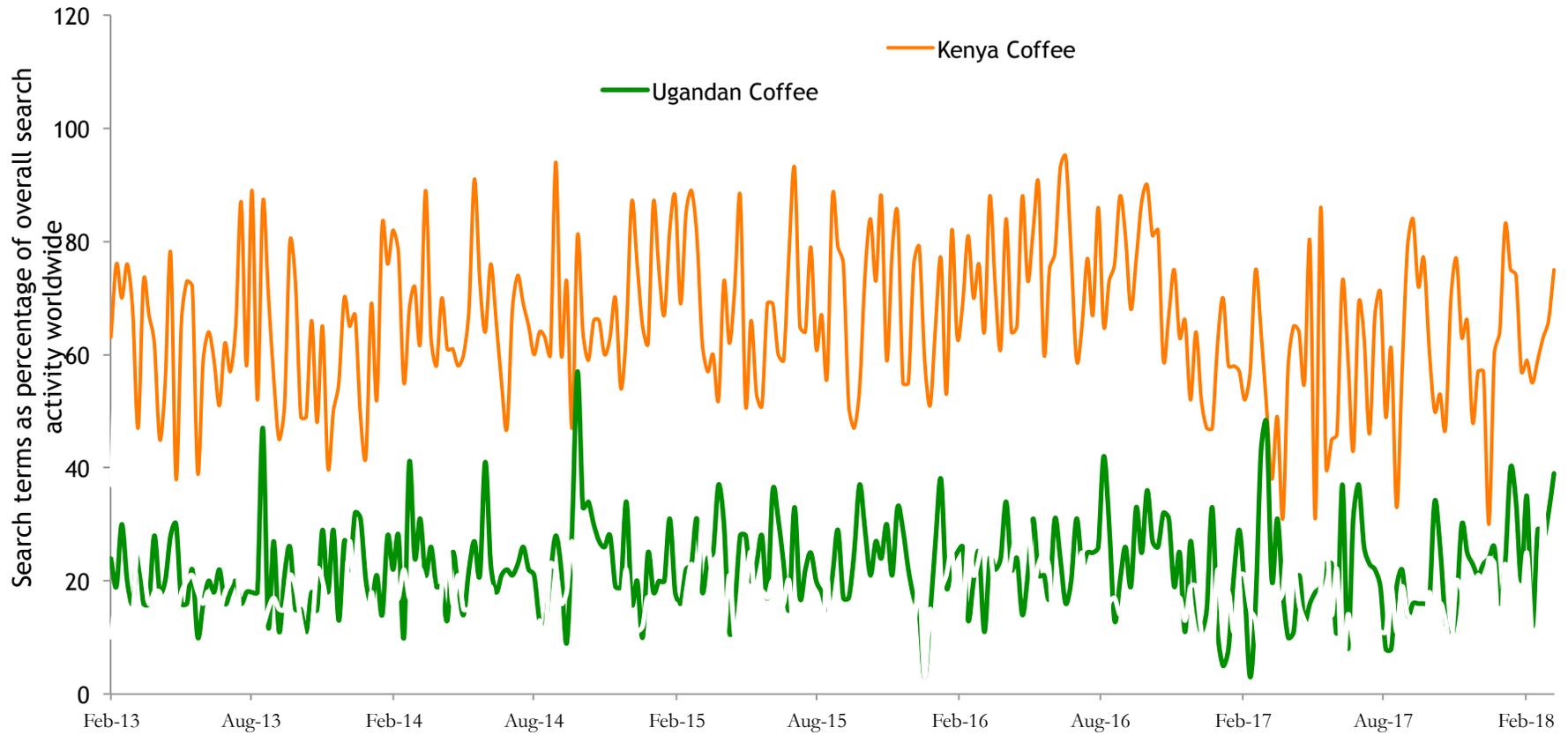


Source: authors calculation on Google Trends, accessed March 19, 2018

# Uganda Coffee searches

## *Google Trends*

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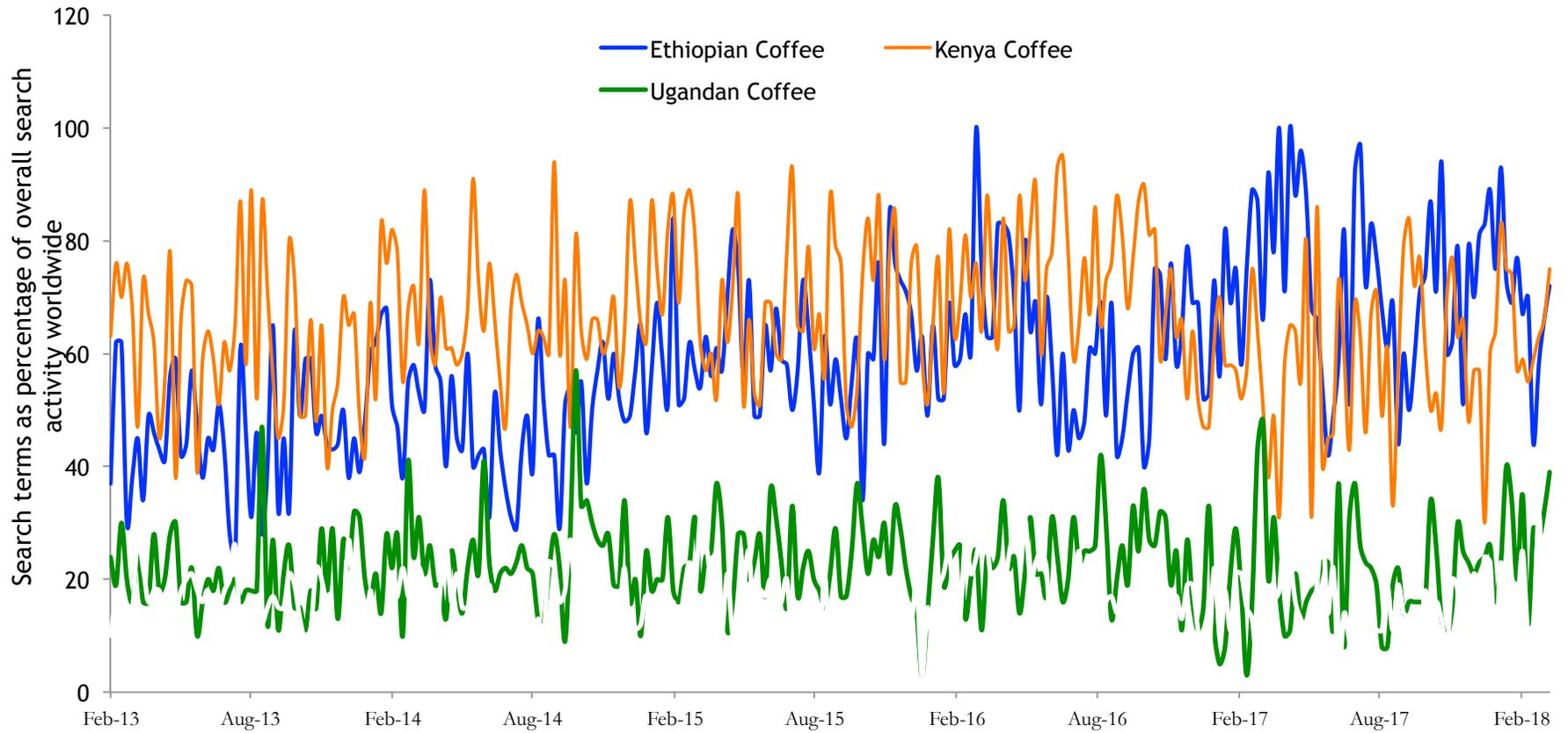


Source: authors calculation on Google Trends, accessed March 19, 2018

# Uganda Coffee searches

## *Google Trends*

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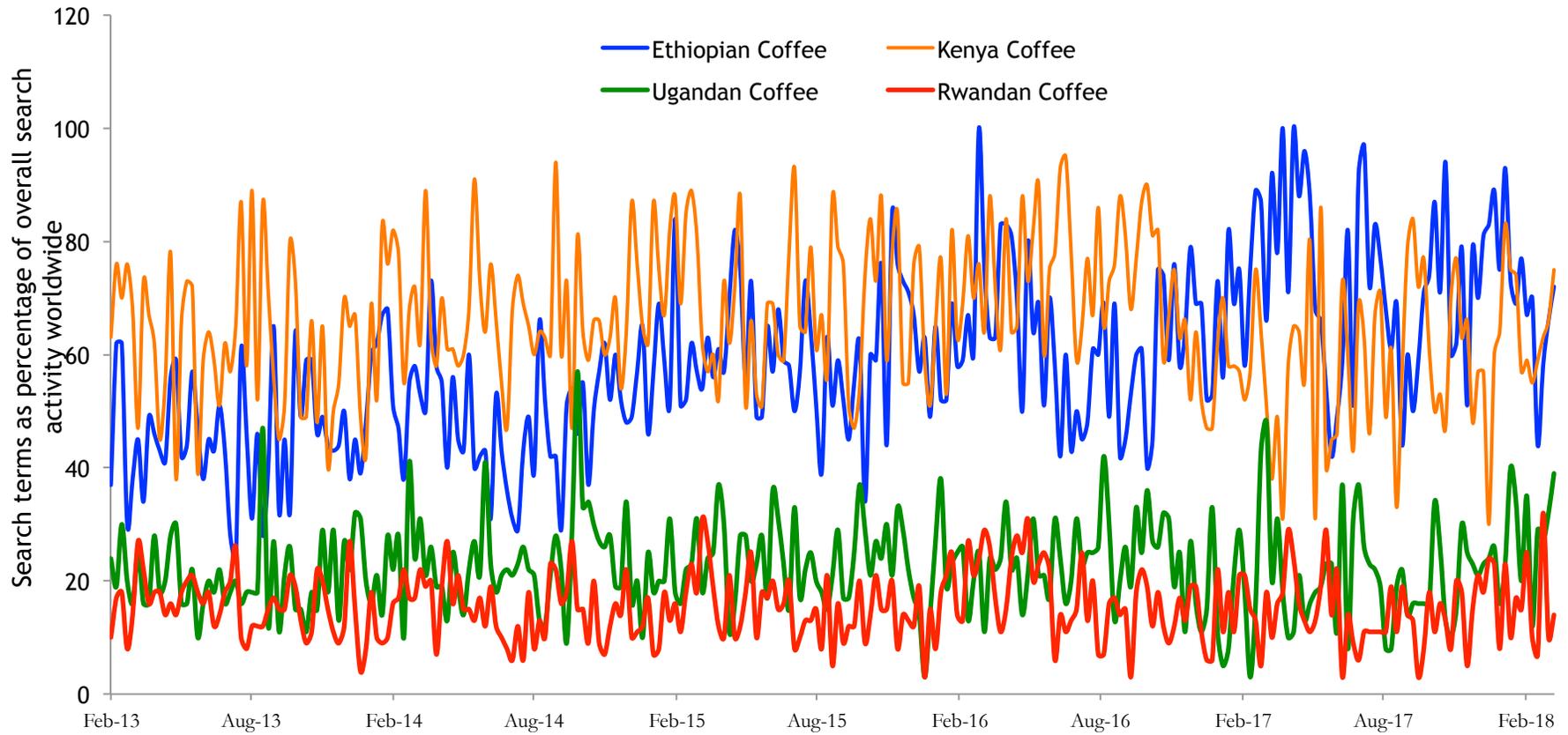


Source: authors calculation on Google Trends, accessed March 19, 2018

# Uganda Coffee searches

## *Google Trends*

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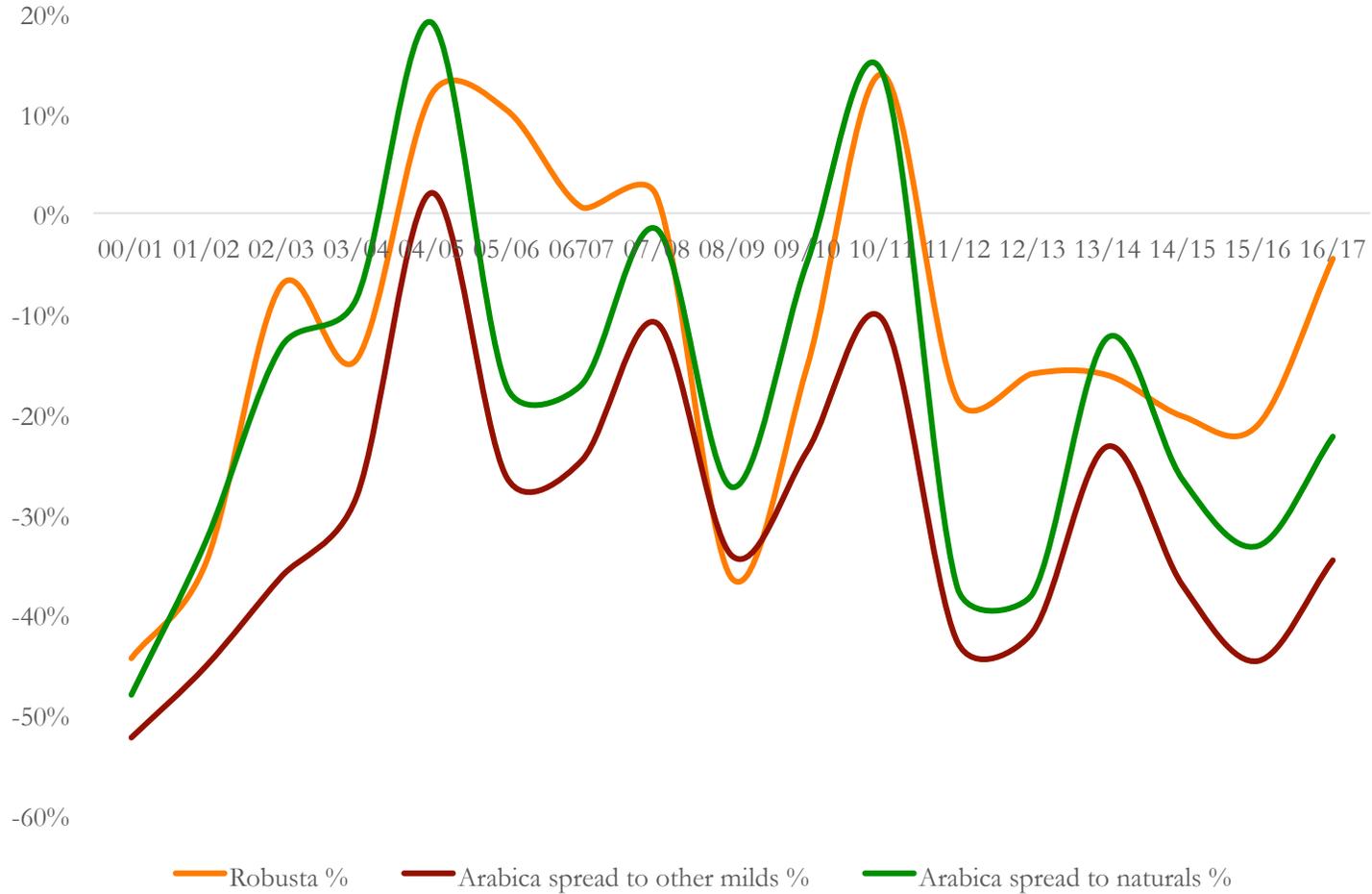


Source: authors calculation on Google Trends, accessed March 19, 2018

# Uganda Coffee Spreads

*Reflects some of the lack of the awareness*

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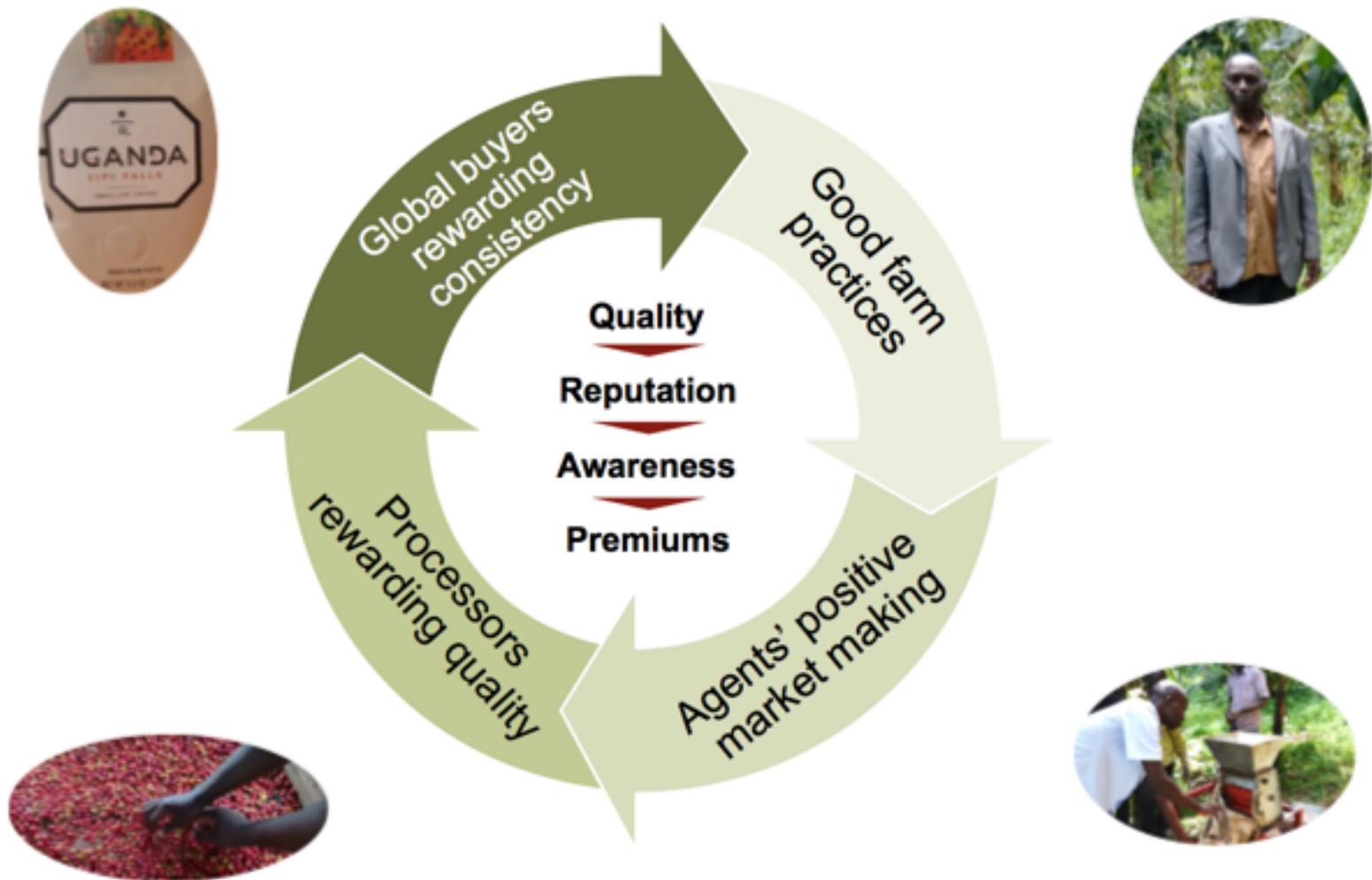


Source: authors calculation on ICO data, 2000/01 – 2016/17

# Major drivers of Value in Arabica

*Multiple actors and their incentives*

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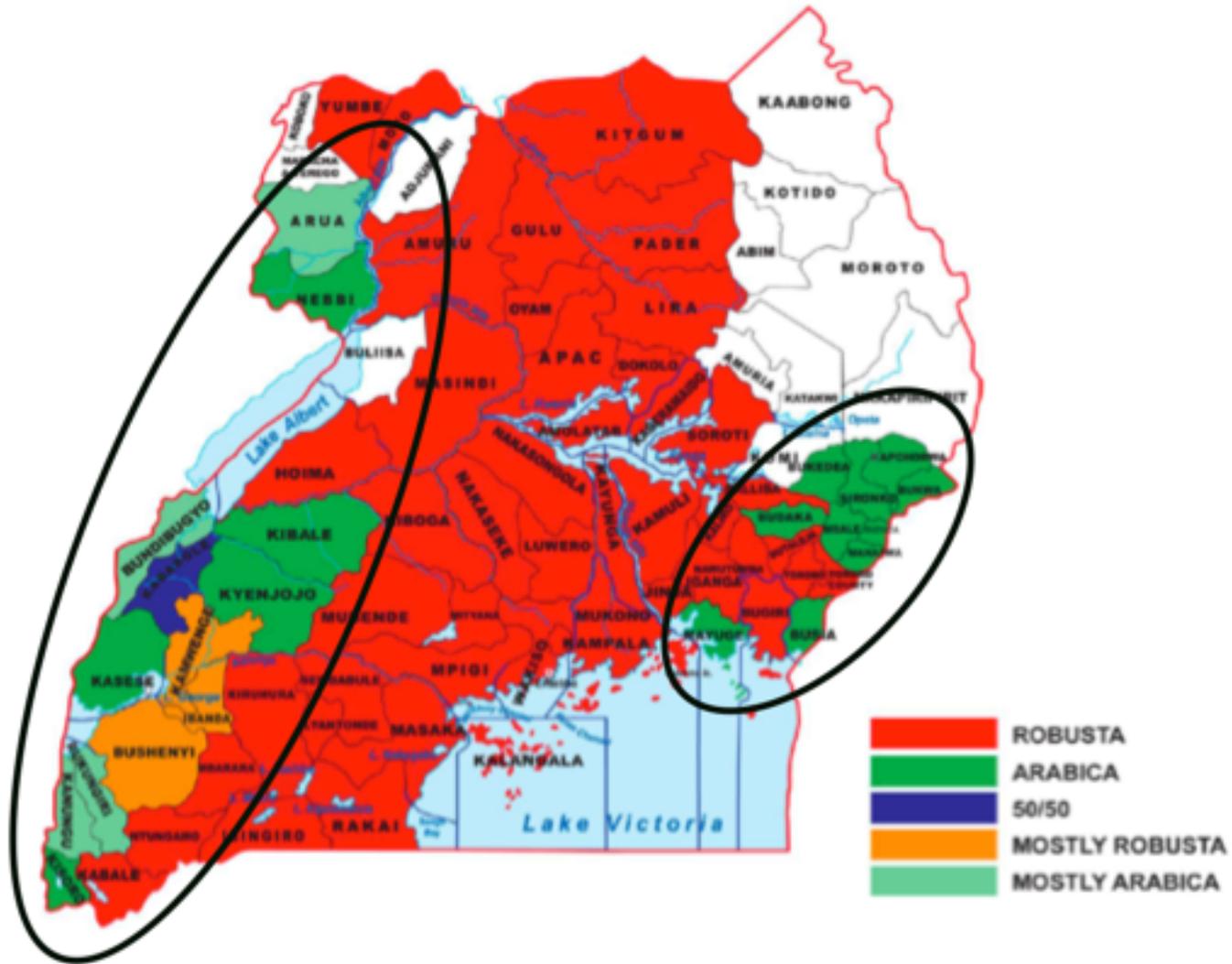


Source: Project field notes, August 2017

# Uganda Arabica

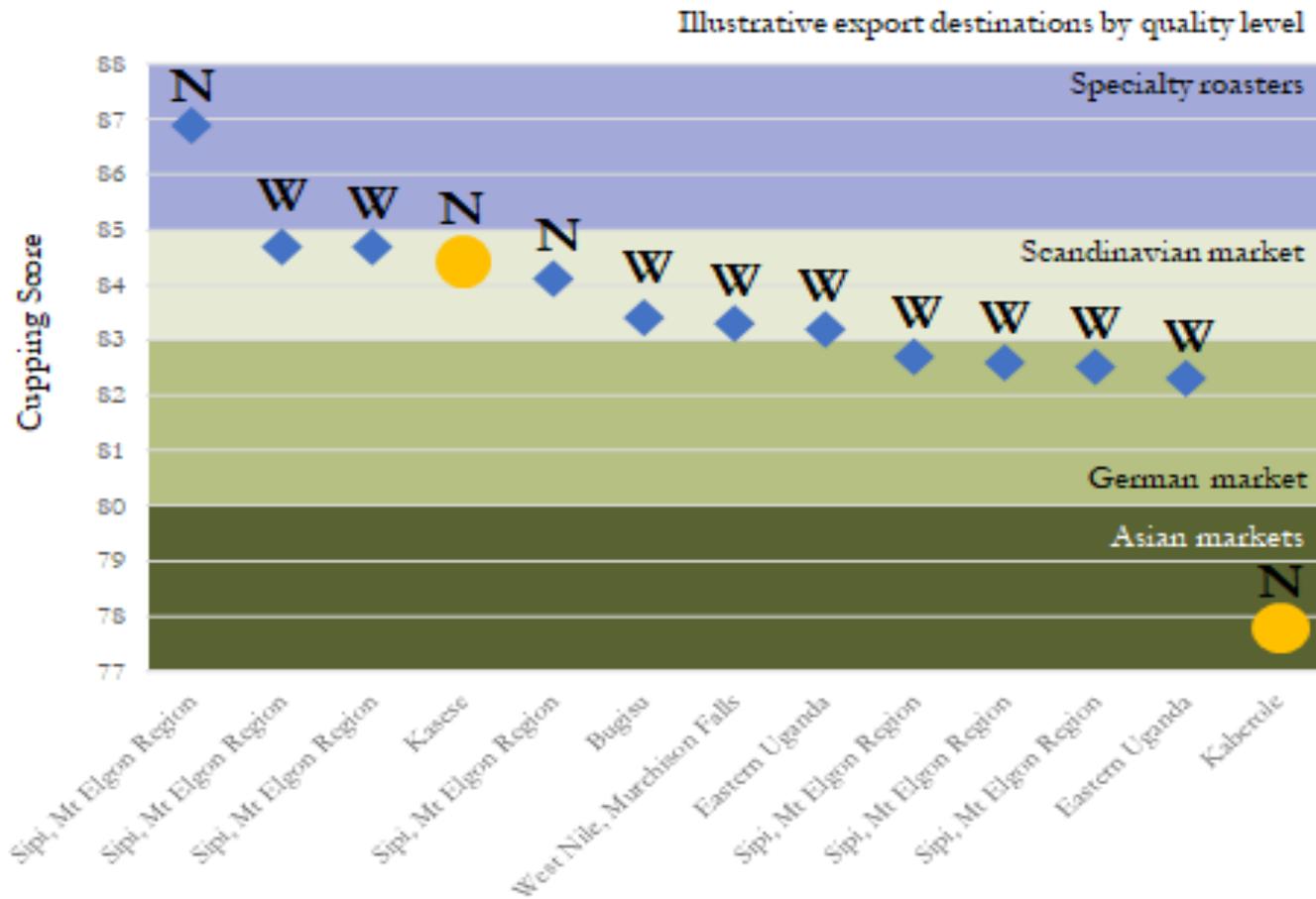
*Broadly a Tale of Two Regions*

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# Uganda's Arabica

## *High Cupping Scores from Eastern and Washed Arabica's*



Source: AFCA, "Taste of Harvest Cupping Results 2017"

N= Natural Arabica

W = Washed Arabica

## Direct Buying

*From farmers at washing stations ensures quality control and direct relationship and engagement*

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Source: Field notes, August 2017

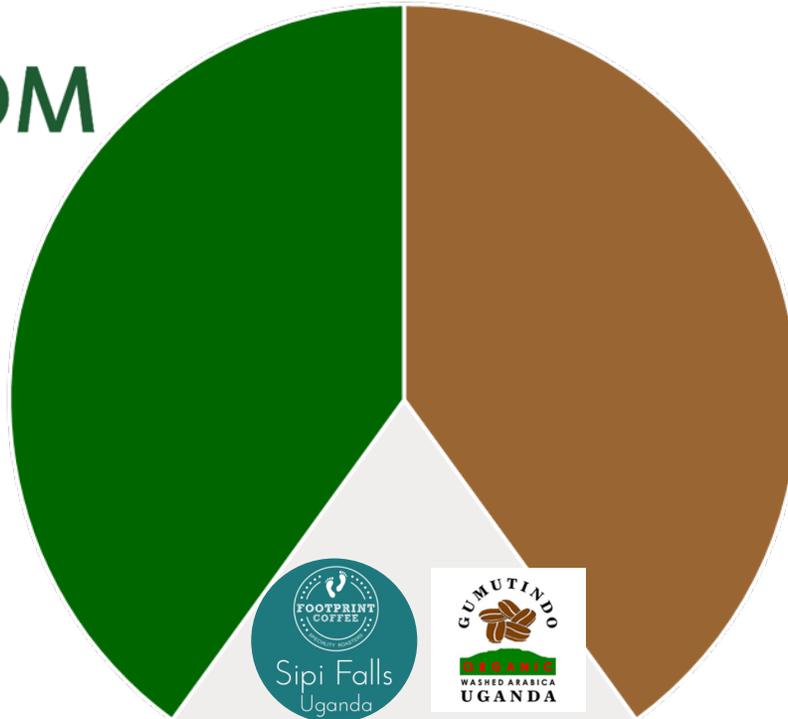
# Competition?

*A small number of players in the East has created stability in access to cherries enabling farmer investments*

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**ECOM**



Source: Field notes, August 2017; not exhaustive, for illustration purposes

# (Some) Lessons from the Eastern Region

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- Successful market making is possible!
- Quality counts above everything else and it raises awareness on its own
- Is it possible to replicate this?