

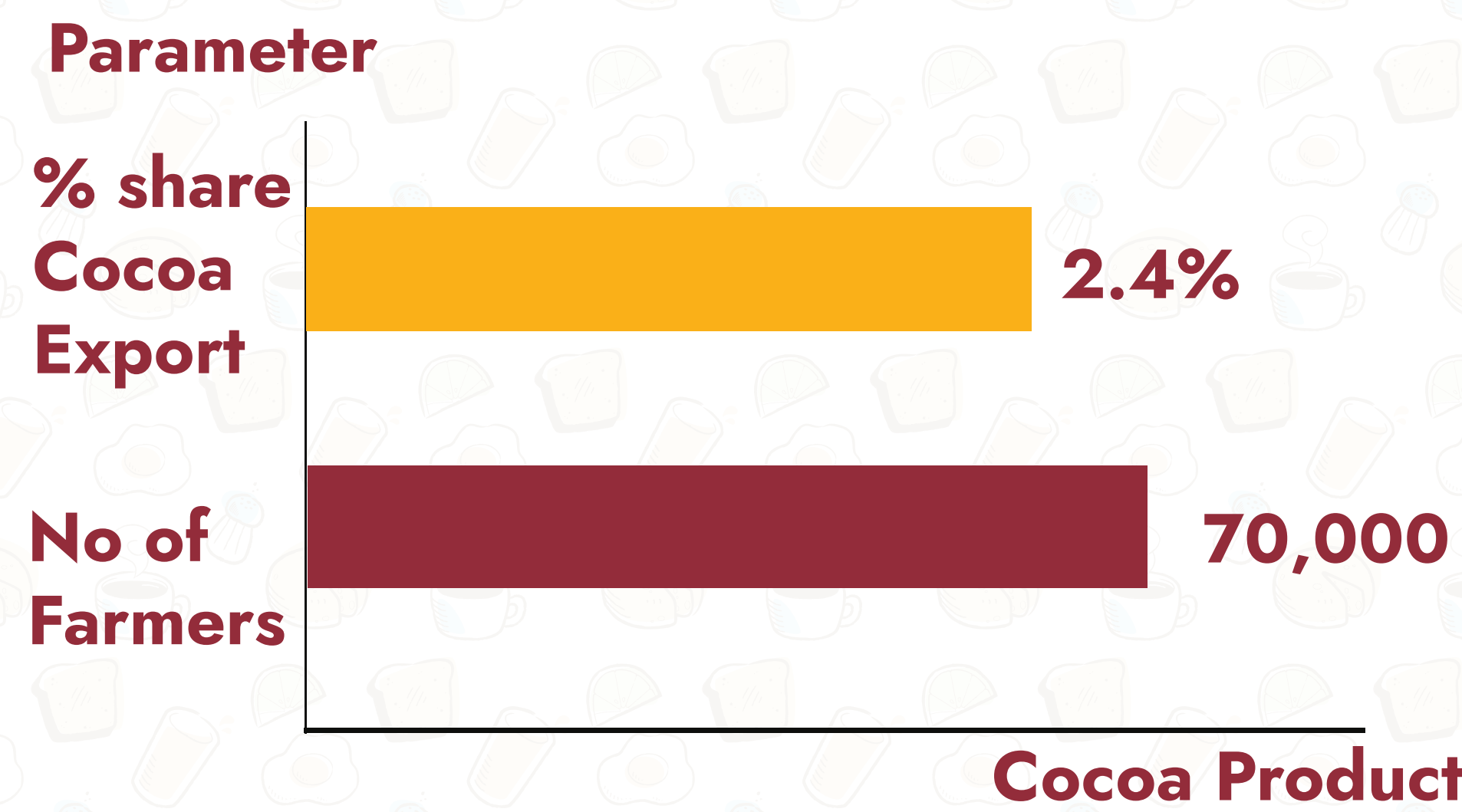
COCOA COMMODITY ADVISORY PROFILE

INTRODUCTION

Cocoa is a priority commodity for Uganda employing **70,000** farmer (NAADS) and contributes **2.4%** of total exports (UBOS 2021) and expected to play a key role in delivering the agro-industrial led economic growth under the 10-fold growth strategy of Government.

Cocoa is Uganda’s fourth-biggest agricultural commodity export after coffee, tea and fish. Uganda is the fifth largest cocoa exporter in Africa after Ivory Coast, Ghana, Nigeria and Cameroon. However, all the available potential to increase production has not been utilized.

This profile therefore highlights the state of the national cocoa value chain and issues pertaining its competitiveness through field engagement with stakeholders and platform meetings to provide information to guides public investment. It highlights issues pertaining to a competitive Cocoa value chain.



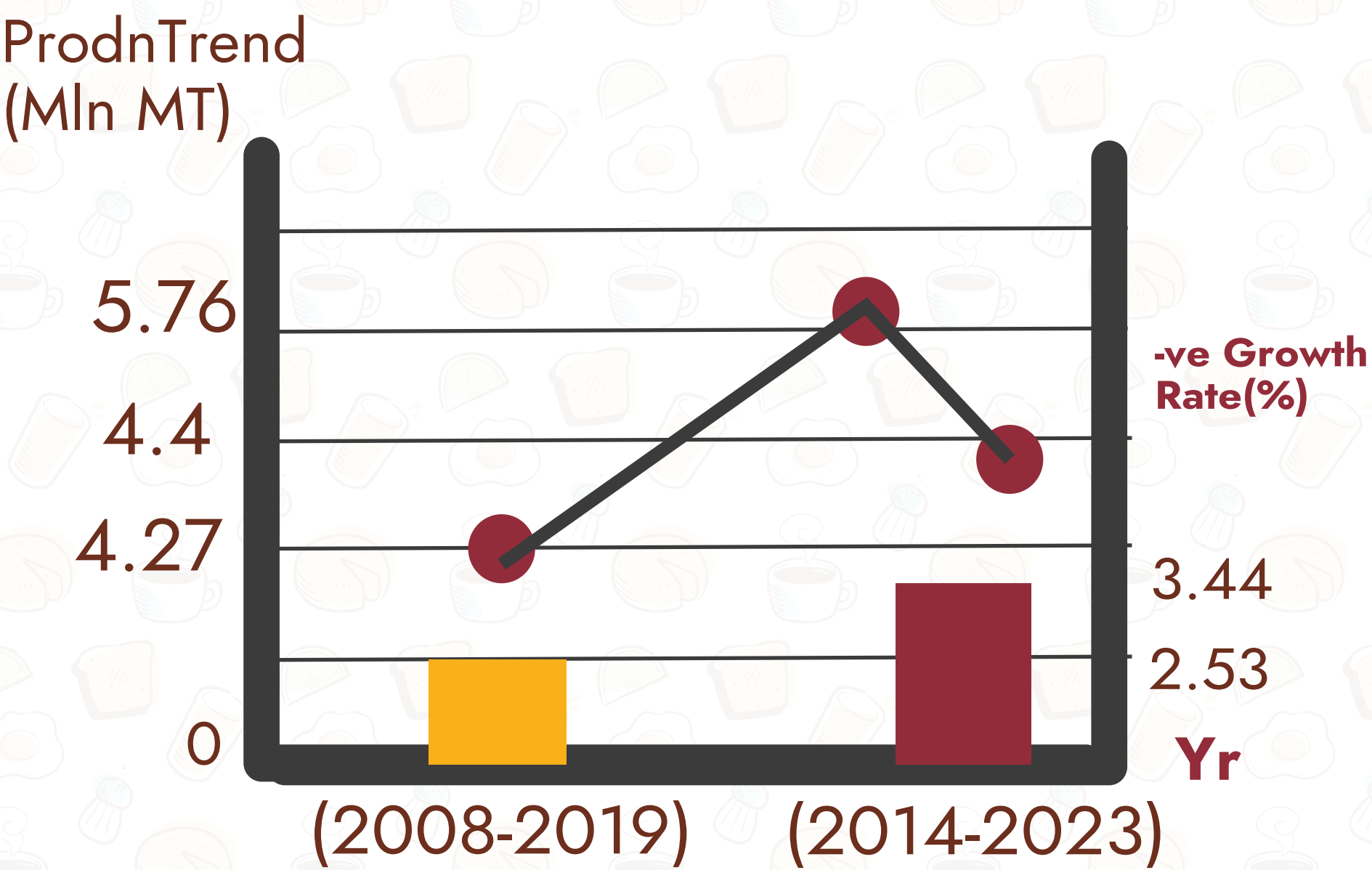
SECTION 2 GLOBAL COCOA INDUSTRY

Global Cocoa Production

4.9 Total volume of Cocoa Production in Million tonns

50% Supply of Ivory Coast and Ghana to the world’s cocoa Industry

4.4 million tones of cocoa cultivated on **12.1 million hectares** were produced in 2023.



FAO 2024 sourced on: <https://www.fao.org/uganda/news/detail-events/ru/c/1681153/>
International Cocoa Orhganization

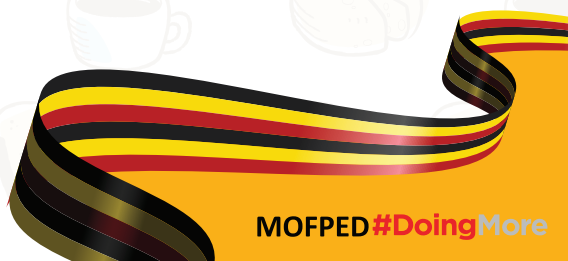
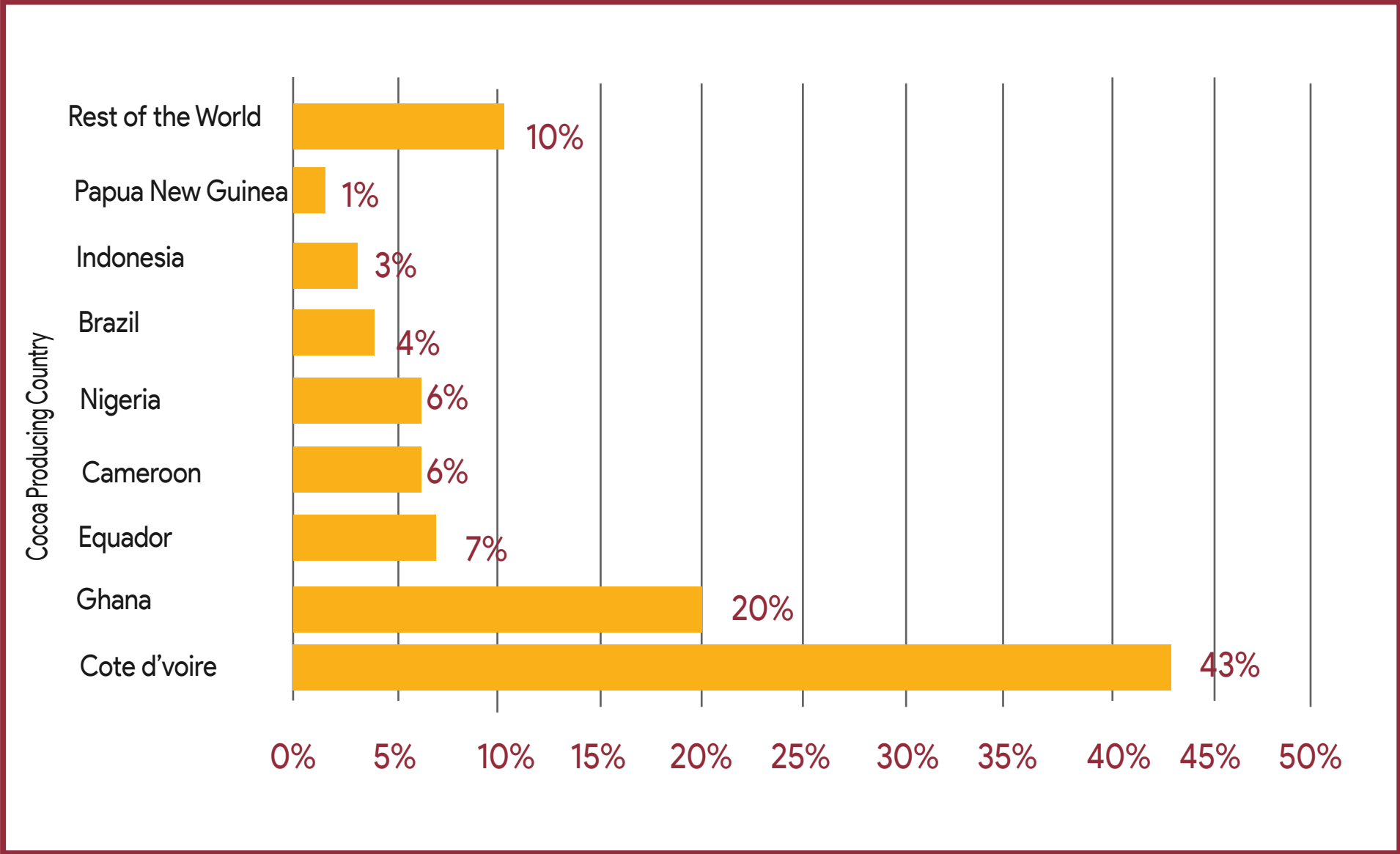
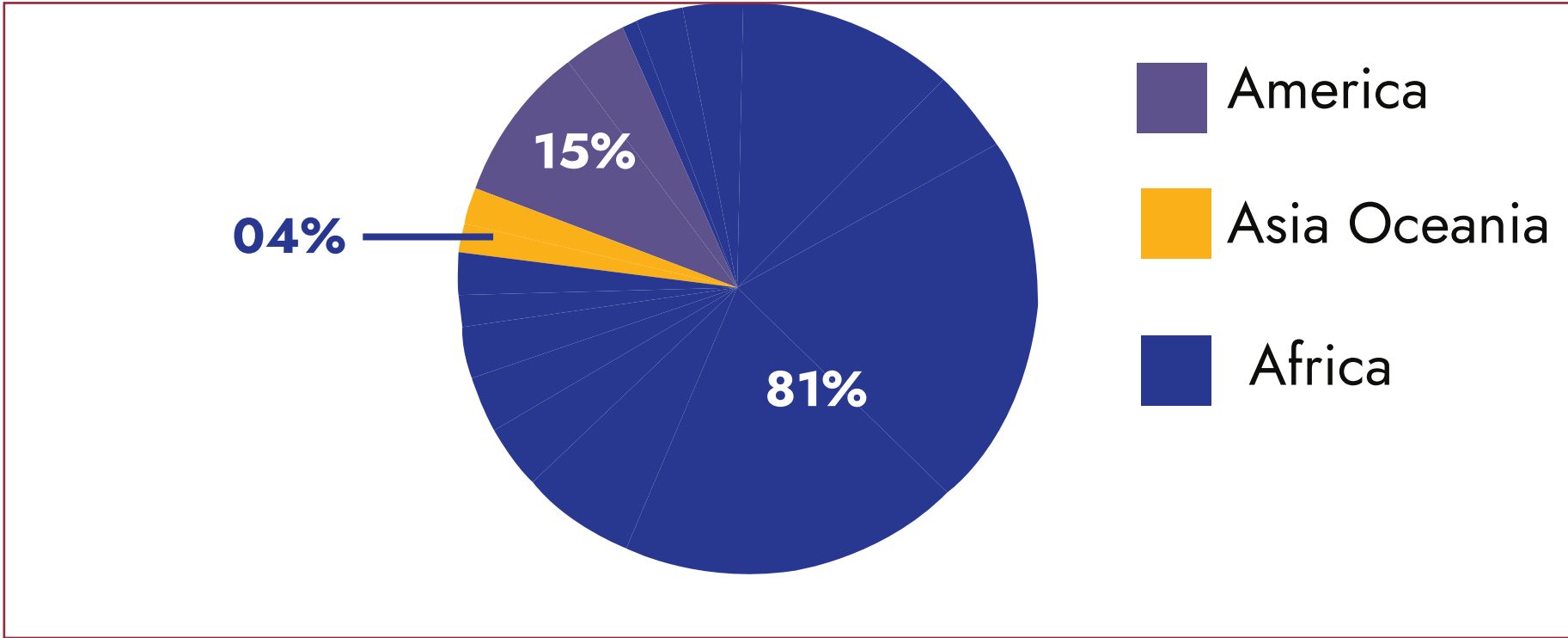


Fig.1: Percentage of cocoa production by country



SOURCE: https://docs.google.com/document/d/18yHASyZy_55CgG6tcKv5ngeAP7GCjXV5/edit

Fig.2 Percentage beans production by continent



Source: <https://www.kakaoplattform.ch/about-cocoa/cocoa-facts-and-figures>

Global Cocoa Production by Country (% Share)

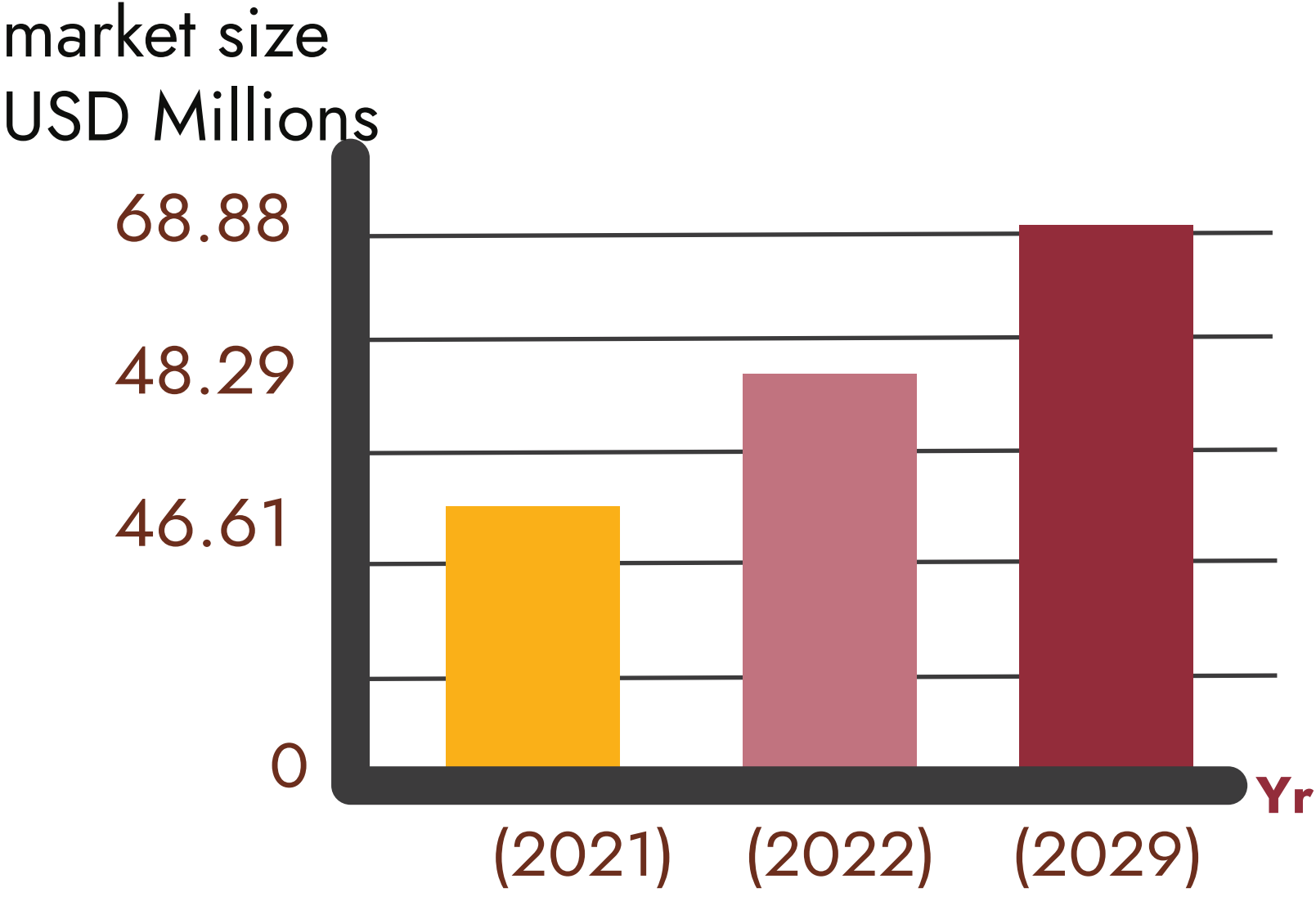
No.	Country	%of Global Production
1.	Ivory Coast	39.9
2.	Ghana	18.3
3.	Other Countries	18.27
4.	Indonesia	12.7
5.	Ecuador	5.6
6.	Nigeria	5.2
7.	Uganda	0.03

Kakao Platform



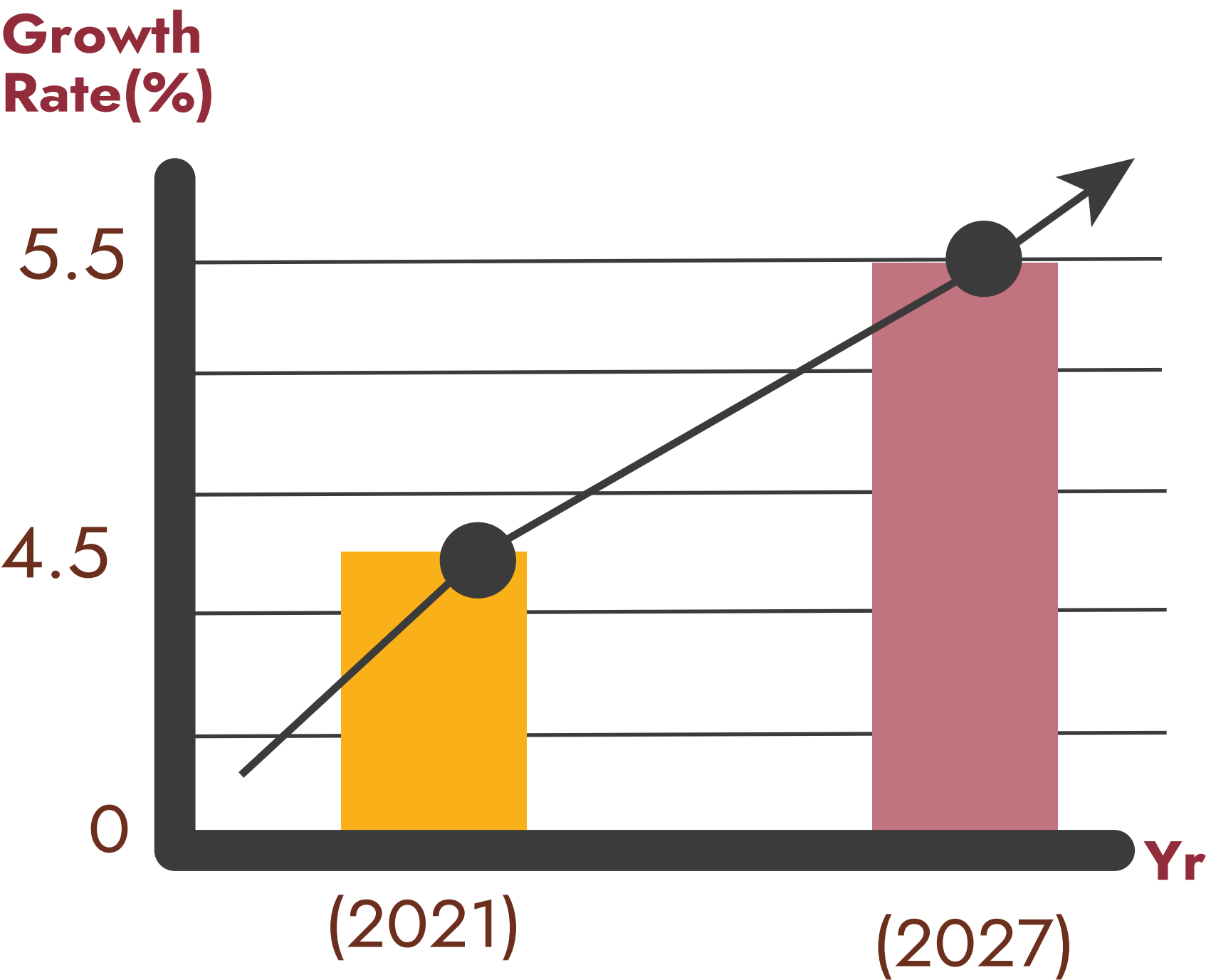
SECTION 3

GLOBAL COCOA MARKET SIZE



Cocoa is mostly consumed by the chocolate industry, which surpassed a retail value of USD 100 billion in 2021 and is expected to enjoy a 4.5%–5.5% Compound Annual Growth Rate (CAGR) until 2027.

Expected CAGR:





SECTION 4:

THE AFRICAN COCOA INDUSTRY

Four African countries; Ivory Coast, Ghana, Nigeria, and Cameroon produce almost 70% of the world's cocoa beans.

Cocoa beans are processed around into cocoa mass, cocoa butter, cocoa powder, chocolate or other cocoa products. But more than 35% of the beans are processed in Europe. Products traded include Fresh-

wet cocoa beans extracted from freshly harvested cocoa pods, fermented dry cocoa beans that have ideally been fermented and dried, Semi-dry cocoa beans freshly extracted from the pods, Cocoa mass and powder and Chocolates.

There is minimal chocolate manufacturing by a few processors across the continent.



SECTION 5 UGANDA'S COCOA VALUE CHAIN

Cocoa Industry Outlook

No.	Category	Figures (2021)
1.	Production	39,000 MT
2.	Imports	327,000 kg
3.	Chocolate & Cocoa Imports	USD 3.33 million

Cocoa Trade

Trade Flow	Volume (MT)	Value (USD Million)	% Share
Exports	44,469	105.81	96.95
Imports	327,000 kg	3.33	3.05

Balance of Trade: +USD 102.48 million.

Source: United Nations COMTRADE, Bank of Uganda (2021).



SECTION 6: COCOA PRODUCTION TRENDS IN UGANDA

30,756

Total Land usage under cocoa

30,204

Total Cocoa Production(2021)

Cocoa production increased by **5.1%** from **27,581MT** to **39,000MT** between 2017 and 2021 respectively.

Annual Cocoa Production Trends

FY	Production (MT)
2017/18	28,945
2018/19	34,518
2019/20	35,318
2020/21	46,663
2021/22	43,378
2022/23	39,861

Source; MAAIF

Contribution to the National cocoa output

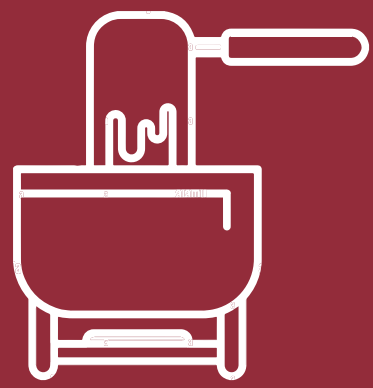
70%

Total Cocoa produced by Bundibugyo in Uganda.

Other major producing districts:

No.	District		
1.	Mukono	13.	Kiboga
2.	Hoima	14.	Mubende
3.	Iganga	15.	Buikwe
4.	Jinja	16.	Luuka
5.	Kamuli	17.	Mayuge
6.	Kibaale	18.	Mityana
7.	Masindi	19.	Bukomansimbi
8.	Mpigi	20.	Kalungu
9.	Luwero	21.	Rakai
10.	Nakaseke	22.	Koboko
11.	Kamwenge		
12.	Wakiso		

MAAIF Contribution to the National cocoa output”



SECTION 7: COCOA VALUE ADDITION AND MANUFACTURING

The major cocoa promoters and buyers in Uganda include; Swisscontact, ICAM chocolate (U) Ltd, Esco (U) Ltd, UGADEN, Semuliki Co-op Society Ltd among others.

According to UIA report 2016, ICAM Uganda Ltd was supposed to export **5,000MT** of cocoa beans to ICAM Chocolate Italy Ltd but could only manage to export **2,000MT** annually. This means, production in Uganda is still lacking despite the potential.

Today ICAM exports **35,000MT** against a target of **5000MT**

Source; ICAM 2024



SECTION 8: NATIONAL COCOA TRADE

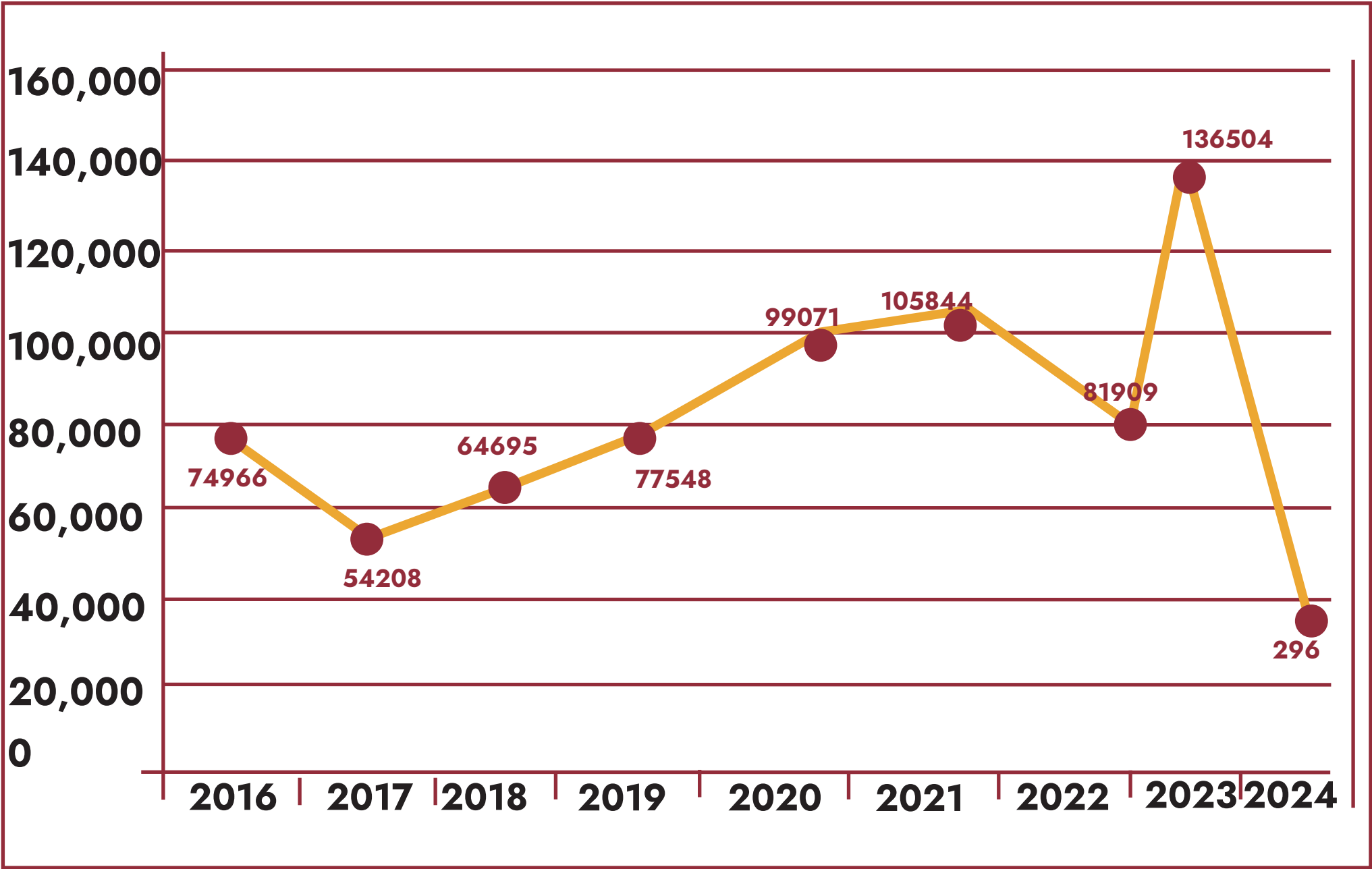
At Farm gate, the price of fresh cocoa beans ranges from **UGX5,000** to **UGX8,000** per kilogram while that of dry cocoa beans is at **UGX25,000** to **UGX30,000**. **95 %** of cocoa beans are traded on Global/ international commodity markets.

Uganda’s Cocoa Beans Exports (Volume and Value)

Year	Volume (MT)	Value (USD Million)
2016	29,714.1	74.966
2017	27,580.93	54.208
2018	30,752.32	64.695
2019	35,317.72	77.548
2020	41,282.46	99.071
2021	44,469.68	105.844
2022	34,953.81	81.909
2023	47,496.99	136.504
2024	52,281.30	296.06

Source: BOU

Cocoa exports by Value (MillionUSD)



Source: PSDU construction from Bank of Uganda data

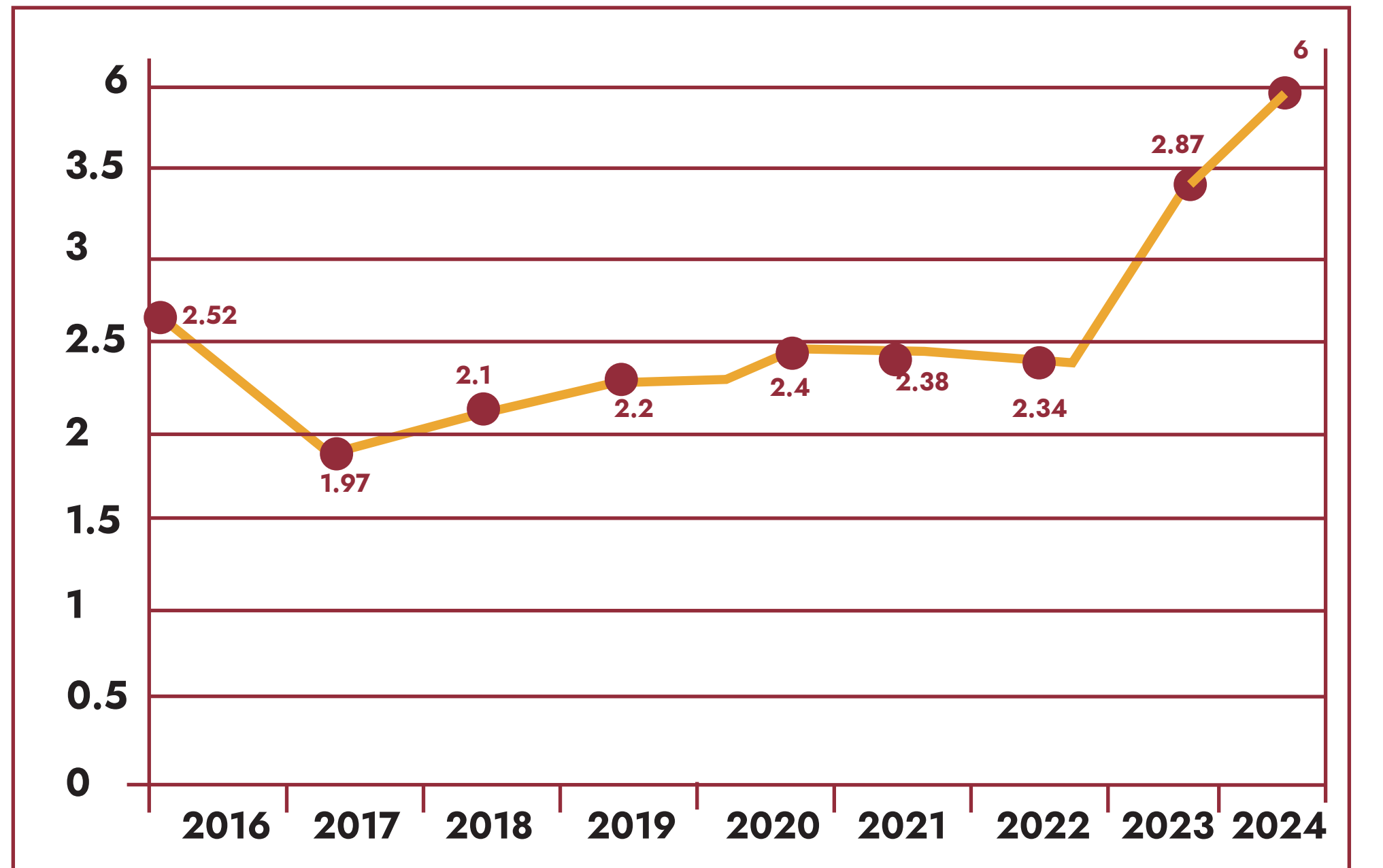
Export value of cocoa increased by **82%**, from **USD 74Million** to **USD 136Million** between 2016 and 2023 while production volumes have increased by **59.8%** over the same period.

Cocoa Bean Export price trend

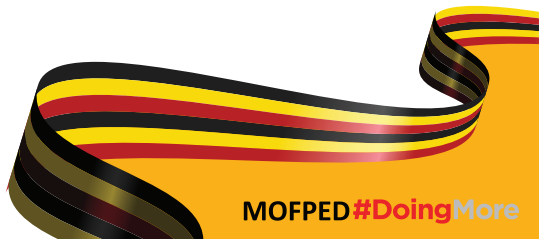
In 2016, the price was **2.52 US\$** per kg, followed by a slight dip to **1.97 US\$** per kg in 2017 according to the Swiss Platform for Sustainable Cocoa (SWISSCO). However, the price has since recovered and in 2021, 2022, and 2023, the export price was **2.38**, **2.34** and **2.87 US\$** per kg respectively.

In terms of the main destination markets for Uganda cocoa, Asia is a rapidly growing region.

Cocoa beans Export price trend (USD/ Kg)



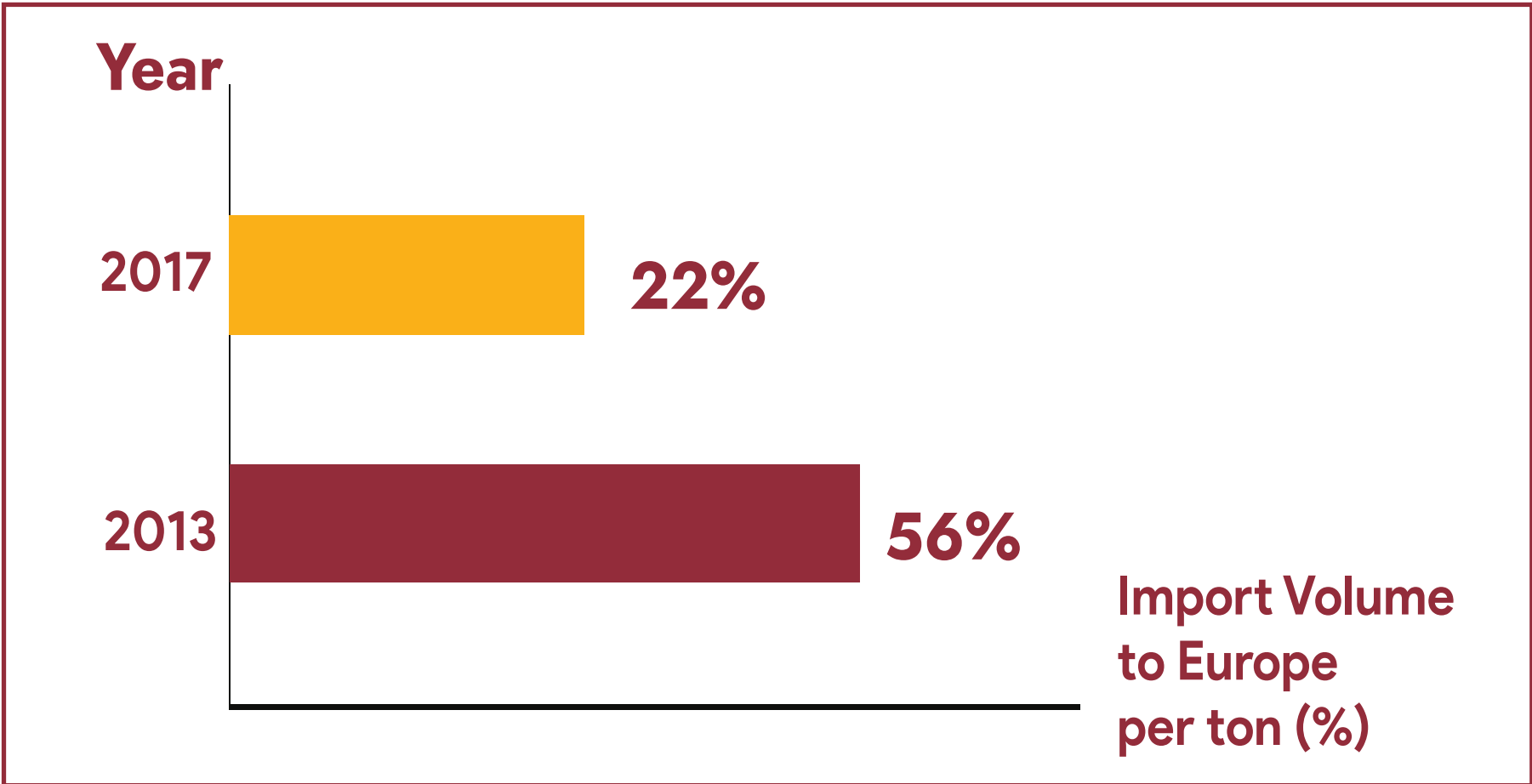
Source: PSDU construction from BoU data



The export price of cocoa beans generally increased by **138%** from **USD2.52** per Kg to **USD6.0** per Kg between 2016 and 2024

Exports Destination

Though value per ton is higher for beans going to Europe, imports into Europe in 2017 represented only **22%** of the total volume imported from Uganda, down from **56%** in 2013.



The Netherlands and Italy have been growing their import volumes from Uganda. However, the overall export trend is downward to the European market.

This downward movement is mostly related to Europe’s increasing demand of transparency and traceability for premium and/or “fine” and “flavour” cocoa and other forms of product innovations that necessitate cocoa producers and enterprises to adapt to new market trends and requirements.

In 2022, Uganda was the 15th largest cocoa beans exporter in the world.

In the same year, Cocoa beans were the 5th most exported product in Uganda. The main destination

No.	Main Destination	Export Value (USD)
1.	India	18.1 Million
2.	Malaysia	11.4 Million
3.	Netherlands	9.28 Million
3.	Italy	7 Million
4.	Indonesia	3.64 Million

The fastest growing export markets for Cocoa beans of Uganda between **2021 and 2022** were India **(\$3.4M)**, United States **(\$402k)**, and Madagascar **(\$64.1k)**. According to UNCOMTRADE data, there was a compound annual growth rate in volume of **30%** between 2013-2017. Due to low sea freight costs, Malaysia, Indonesia and Singapore are among the top importers.

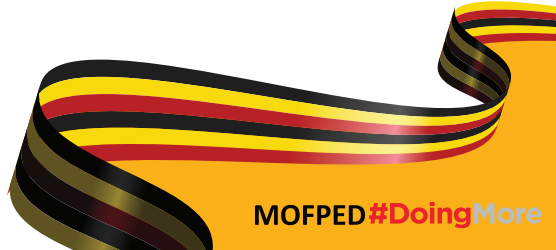
Fig. Cocoa beans export destinations (% share)

Year	2019	2020	2021	2022
Total Value (USD millions)	60	108	101	85
India	30.1	13.7	12.5	15.2
Malaysia	19	18.1	23	27.6
Indonesia	6.07	22.8	34.8	24.8
Singapore	4.42	5.84	3.86	10.5
Netherlands	15.5	15.6	5.98	7.73
Italy	11.7	7.68	5.58	5.78
Spain	5.6	6.5	7.2	2.97
Belgium	2.41	3.79		1.93
Turkey	2.67	2.24	1.81	

Source: Observatory of Economic Complexity;
<https://oec.world/en/profile/bilateral-product/cocoa-beans/reporter/uga#about>

Origin of Imports

Further in 2022, Uganda imported **\$4.32M** in Cocoa beans, becoming the 37th largest importer of Cocoa beans in the world. At the same year, Cocoa beans were the 183rd most imported product in Uganda. Uganda imports cocoa beans primarily from the Democratic Republic of Congo. While Uganda cocoa beans are exported primarily in raw form, value added Cocoa powder and butter fetch double price due to high demand on the international market according to MAAIF.





SECTION 9: COCOA BEAN QUALITY PARAMETERS

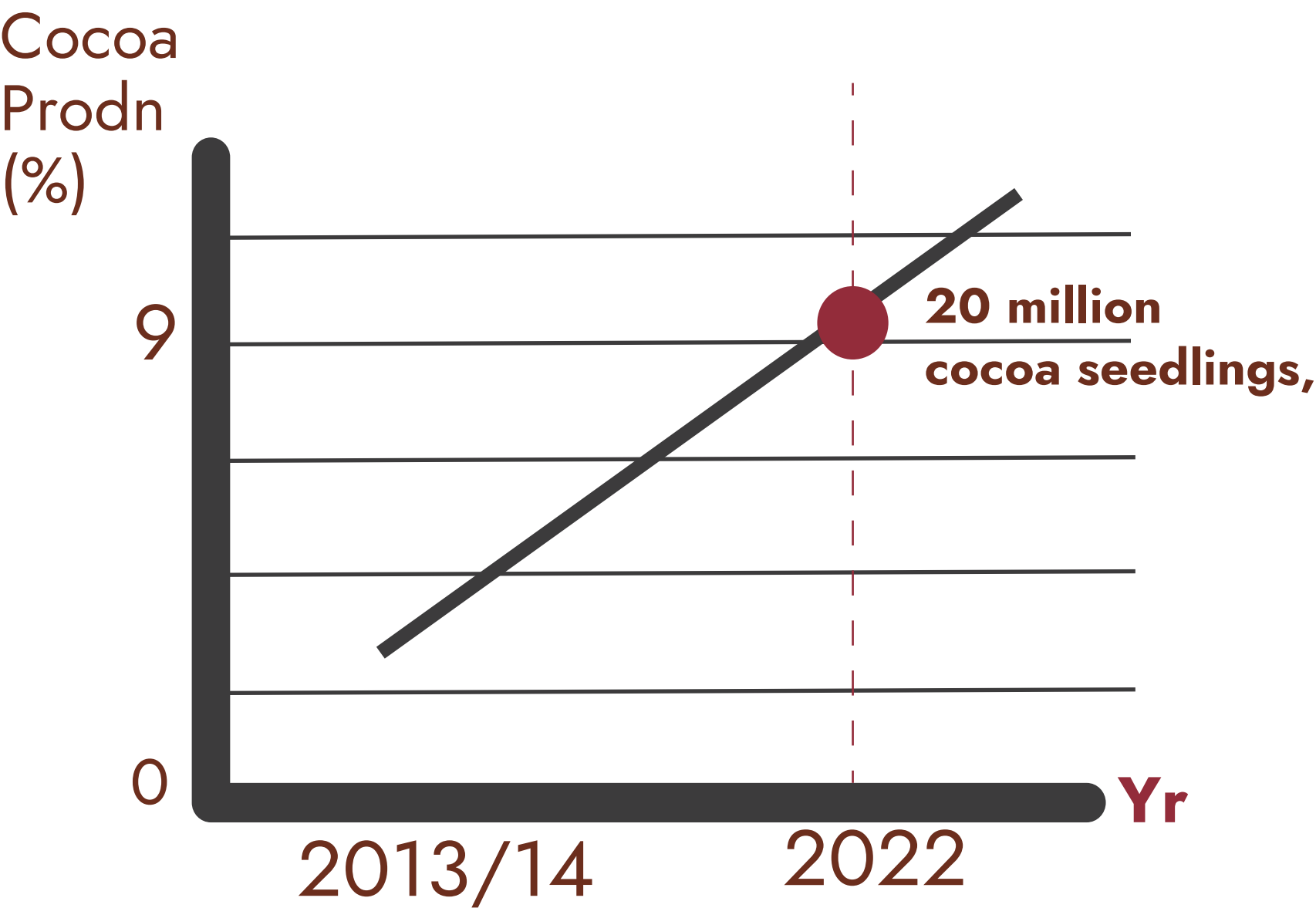
No.	Parameter	Permissible Range
1	Moisture Content	7–8%
2	Impurities	<2%
3	Molding	<3%
4	Bean Count (100mg)	100–110
5	Fermentation	Adequately Fermented to Brown

1. Traders test cocoa quality using moisture content meters and digital weighing scales.
2. Due to high demand, some traders accept lower-quality cocoa, bypassing standard parameters.



SECTION 10: GOVERNMENT ONGOING INTERVENTIONS

1. The Government of Uganda (NAADS) supports cocoa development by providing planting materials and post-harvest handling facilities.
2. Since FY 2013/14, NAADS has distributed over 20 million cocoa seedlings, leading to a 9% increase in cocoa production (NAADS, 2022).



SECTION 11: ISSUES PERTAINING TO THE COMPETITIVENESS OF THE COCOA INDUSTRY

Issue		Ongoing Intervention	Recommendation
1	Poor quality seeds	MAAIF has distributed 20M free certified cocoa seedlings since 2013	MAAIF should establish and certify more seedbed operators
2	Very old cocoa trees	MAAIF's Coffee and Cocoa Development (CoCoDev) project aimed at increased production	MAAIF should Fast-track the CoCoDev project
3	Pests and disease	MAAIF researching and distributing pest-resistant varieties	NACORI/MAAIF should recruit more extension workers
4	Poor postharvest handling facilities	MAAIF is sensitizing farmers and promoting single fermentation boxes	MoFPED should subsidize fermentation boxes
5	EU Deforestation Regulation (EUDR) certification	MAAIF registering farmers for traceability	MAAIF Expedite the registration process
6	Low production and productivity	MAAIF distributes free certified high-quality seedlings	MAAIF should expedite the distribution process
7	Limited value addition	MAAIF's strategic plan (2020-2030) includes a cocoa processing plant in Bundibugyo	UDC should implement factory construction
8	Lack of National Cocoa Development Strategy	MAAIF is developing a legal and institutional framework for cocoa	Expedite the development process
9	Limited access to quality inputs	MAAIF and UNBS enforce input standards	Improve enforcement and farmer awareness

SECTION 12: WHY INVEST IN COCOA PRODUCTION?

1. Strong Market Demand – Europe and North America import large amounts of cocoa and chocolate.
2. Start-up Support – The Cocoa Development Project (CDP) provides free cocoa seedlings.
3. Ideal Climate – Cocoa thrives in Bundibugyo, Masindi, Mukono, and Buikwe.
4. Continuous Harvesting – Unlike coffee, cocoa is harvested all year round.
5. Research & Development Hybrid Varieties
Hybrid cocoa matures faster and resists pests.
6. Multi-Billion Dollar Industry – Cocoa has strong demand globally.



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