

DECLARATION OF VANILLA HARVEST DATE FOR THE FIRST SEASON OF THE YEAR-2023

STATEMENT BY:

HON. FRED BWINO KYAGULAGA (MP) MINISTER OF STATE FOR AGRICULTURE

AT

THE UGANDA MEDIA CENTRE,

27th JUNE 2023



Our Partners in Development from

- The Association of the Vanilla Exporters of Uganda (VANEX),
- > Catholic Relief Services (CRS),

The Technical Staff of the Ministry of Agriculture, Animal Industry and Fisheries,

All Key Stakeholders in the Vanilla value chain; Vanilla Farmers, Processors and Buyers,

The Media,

Fellow Ugandans,

Ladies and Gentlemen.

I greet you all

- As you may be aware, vanilla is one of the high value crops grown in 35 districts of Uganda, mainly in Central, Eastern and Western parts of the country.
- 2.0. Globally, vanilla is a spice used to add flavor to food, beverages, in cosmetics and can also be used in pharmaceutical industries. Most of us have consumed vanilla in one way or the other especially in flavored drinks, dairy products, sweet foods, cosmetic products as well as pharmaceutical products.
- 3.0. Vanilla has proved to be a profitable crop for farmers, despite its fluctuating prices on the international market. According to MAAIF (2020), Vanilla takes 3 years to first harvest from the time of establishment. A farmer can spend about Ugx 5.0 million to establish and manage 1 acre of vanilla in the first 2 years. From the third year, a farmer can harvest about 2-3kgs of beans per plant. Therefore, from the 450 Plants in an acre, a farmer can harvest about 1000 Kgs in the first year. If sold at a price of Ugx. 40,000/= (Season B, 2022), a farmer will earn a net profit of Ugx 35 million from one acre of Vanilla.
- 4.0. Currently, there is an increase in global stocks of vanilla which may cause a decline in demand and price of vanilla in the next few harvest seasons in all vanilla growing countries, not only Uganda.

- 5.0. The reasons for this include; reduced global consumer demand and global buyers stocking up in anticipation of crop failure in Madagascar, the leading producer of Vanilla in the world. Consequently, the current global supply became higher than global demand. Until global buyers deplete their current stocks and begin buying again, they may not be able to buy as much as expected and even if they do, this might probably be at lower prices than anticipated.
- 6.0. However, the issue of quality in Uganda's vanilla subsector remains critical than ever as Uganda seeks to position itself to be a competitive and reliable origin of vanilla, second to Madagascar.
- 7.0. The Government of Uganda, through MAAIF, working in partnership with farmers, District Local Governments, Processors, and key promoters of vanilla including the Association of the Vanilla Exporters of Uganda (VANEX) and the Catholic Relief Services (CRS) Vines project, is committed to sustaining the quality gains made over the past several years.
- 8.0. Since 2019, MAAIF has worked with stakeholders each season to evaluate the state of maturity of the crop and declare a national Vanilla harvest date. Setting and enforcing a harvest date, which marks the start of the national harvest period, signals to the world, Uganda's commitment to production and trade in

quality vanilla. This commitment has delivered results that have been appreciated by global buyers for the past three years.

- 9.0. Notably, in its November 2021 Vanilla Market Update, Aust & Hachmann, a global vanilla buyer indicated that: **"Of all the major producing regions for vanilla, we believe that Uganda has shown the most significant improvement in terms of quality over the past few seasons which is welcome news for those seeking an alternative to Madagascar"**.
- 10.0. When allowed to mature, properly cured vanilla beans from Uganda can yield vanillin levels higher than any other vanilla origin. We expect more buyers to turn their attention to these origins to help mitigate the constraints caused by the fixed vanilla price policy of Madagascar.
- 11.0. Vanilla production from two annual harvests is increasing rapidly. According to Uganda Export Promotion Board (UEPB, 2023), Uganda exported 89.038 Tons of cured vanilla worth 8.33 million USD by March, 2023. This is quite encouraging and promising in positioning Uganda as a competitive origin of quality vanilla in the Global Market.
- 12.0. Major markets for Uganda's Vanilla include; USA, Indonesia, Canada, France, Germany, Australia, Belgium, South Africa, New Zealand, Japan, Israel, Mauritius, United Arab Emirates,

Italy, Denmark, Check Republic, Switzerland and Republic of Korea

- 13.0. The global vanilla market size was valued at USD 2,854.99 million in 2021. It is projected to reach USD 4,701.91 million by 2030, during the forecast period (2022–2030). This indicates that the Global demand for Vanilla is on the increase due to its diverse/widespread use in the food and perfume industries.
- 14.0. Despite the recent drop in farm gate prices, vanilla's prices remain high relative to other cash crops. This makes it a very attractive crop for smallholder farmers. Vanilla, as we have seen over the past several years has the potential to transform lives of rural Ugandans if it is managed consistently, properly and harvested when fully maturity.
- 15.0. Regrettably, vanilla's high value has also led to a number of serious issues including; Theft of vanilla beans, robbery, Murders, premature harvesting and trade in poor quality beans, poor processing, illicit trade against a backdrop of an absent/weak regulatory framework hence compromising the quality of Uganda's Vanilla and negating our competitiveness. This has destabilized the subsector as farmers, looking to secure a return on their investment before it is stolen, have resorted to early harvesting.

- 16.0. It is evident that picking immature beans reduces the consistency and overall quality of vanilla and damages Uganda's reputation among global buyers. This further contributes to a reduction in the overall demand for natural vanilla among global buyers, hence putting additional pressure on volumes and prices.
- 17.0. In the recent years, the Ministry of Agriculture, Animal Industry and Fisheries in collaboration with key vanilla stakeholders have provided guidance on vanilla harvesting. And have committed to continue with this measure whenever the harvesting season approaches.
- 18.0. I want to send a warning to anyone involved in vanilla malpractices; theft, harvesting pre-mature vanilla beans and de-coloring vanilla green beans through roasting, of tougher penalties if arrested. This warning also goes to those who are engaged in such illicit activities, especially the traders, processors and exporters who influence the buying of vanilla before the general harvesting period. Let them know that we shall not allow anyone to jeopardize the quality of Uganda's vanilla.
- 19.0. Following the nationwide visit by the technical staff from my Ministry to ascertain the level of maturity of Vanilla in all the vanilla producing districts, coupled with stakeholders'

consultative meetings at national level, most of our vanilla is expected to be ready in the Month of July, 2023.

20.0. I hereby declare that the appropriate Vanilla Harvest for Season 2023A shall commence on the 17th July, 2023 onwards.

- 21.0. Farmers should remember to pick only ripe Vanilla beans. Government will take strong punitive action against anyone found harvesting, or in possession of green vanilla beans outside these dates.
- 22.0. I am directing my Ministry staff, the District Production staff, the Agricultural police and the Operation Wealth Creation commanders to be vigilant and work closely with the Private Sector to popularize these harvest dates, hunt down and expose the culprits and where possible, bring to book those involved in illicit activities.

I thank you all.

For God and My Country

HON. FRED BWINO KYAGULAGA (MP) MINISTER OF STATE FOR AGRICULTURE