

Issue 1

AROMATIC QUARTERLY

Magazine for The Association of the Vanilla Exporters of Uganda (VANEX)



NEW REGULATORY FRAMEWORK

A new dawn in the vanilla sub-sector

TAKING ROOT: VANILLA HARVEST DATE DECLARATION

INTERVIEW: MUFUMBIRO HAKIM

HEAD OF UNBS FOOD & AGRICULTURE STANDARDS DIVISION



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CONTENTS



4

3 **WORD FROM THE EXECUTIVE DIRECTOR**



7

4 **SUSTAINABLE QUALITY VANILLA FROM UGANDA:**
Why vanilla stakeholders rally behind the initiative of observing the declaration of the vanilla harvest date

6 **REGULATORY FRAMEWORK NEW DAWN IN THE VANILLA SUB-SECTOR**

8 **VANILLA PROCESSORS TAKE A BOLD STEP TO IMPROVE FOOD SAFETY IN UGANDA'S VANILLA INDUSTRY**



9

10 **VANILLA MARKET OUT LOOK JULY 2022:**
Impressions gained from various discussions with global vanilla market watchers

11 **HAVE YOUR SAY**

12 **INTERVIEW: UNBS WANTS VANILLA ACTORS TO STEP UP**



13

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WORD FROM THE EXECUTIVE DIRECTOR

I am delighted to bring to you the first edition of our Aromatic Quarterly magazine that features news, information, and highlights of the developments in the Uganda vanilla industry, as well as spotlighting what is happening in the general global vanilla industry. In general, Aromatic Quarterly covers production, productivity, the social, political and economic environment dynamics and trends of the vanilla industry.

I am especially delighted that this maiden issue comes out at a time when we are making good progress towards improving quality of our vanilla. This trend has witnesses testifying to this. Please read our lead article: Sustainable Quality Vanilla from Uganda, and how stakeholders have embraced the observation of the harvest declaration date and the gains we are having.

The gains are coming in a sort of a flood. The industry is also geared and ready to be regulated. Thanks to the support from the Vines project implemented by the Catholic Relief Services; stakeholders are dialoguing on best ways to regulate the vanilla industry in Uganda. The progress made so far to transform into an organised, sustainable industry, and why this is important is well elaborated in the news on the regulatory framework- new dawn in the vanilla sub sector.

We continue to promote a sustainable quality production of vanilla from Uganda. A vision we hold true and dearly for the industry. The vanilla value chain is complex. It involves a multiplicity of actors who play a critical role of aggregating and informal processing. While such involvement of multiplicity of players, and layers of activities in any value chain is good, it comes



with challenges too, particularly for the vanilla. This challenge is mainly the inconsistent quality of the cured vanilla, due to the unstandardized way of processing, the inadequate processing infrastructure at such level of operation among others. With the industry resolve of leaving no one behind, at the same time

achieving our mission and vision, the small processors are undergoing training and coaching at the industry scale, to embrace improved food safety and better vanilla processing techniques, for an improved vanilla quality. Hilarion Maheera, a Food Safety Expert takes us through the challenges, opportunities and what is achieved at hand.

The regulation and improvement of quality of vanilla is not possible without adherence to internationally set Vanilla Standards. As such, in this issue, we feature Hakim Mufumbiro, the Head of Food, and Agriculture Standards at the Uganda National Bureau of Standards, who takes us through what vanilla actors need to do to step up and observe the Vanilla Standards.

Finally, vanilla is a crop of unmatched aroma, but passion too. "The vanilla fraternity world over are the most passionate people about their aromatic crop, I have ever seen", said, one vanilla buyer. I agree with that buyer. In the vanilla industry, everyone has something to say about vanilla. We have a good line up of stakeholders having their say: what they would do, if they had one chance of changing the vanilla industry. I wish you a happy reading.

Florence Nagawa- Executive Director, VANEX.

The regulation and improvement of quality of vanilla is not possible without adherence to internationally set Vanilla Standards.



SUSTAINABLE QUALITY VANILLA FROM UGANDA:

WHY VANILLA STAKEHOLDERS RALLY BEHIND THE INITIATIVE OF OBSERVING THE DECLARATION OF THE VANILLA HARVEST DATE

By Florence Nagawa, Executive Director of VANEX



Barbara Komushago - Senior Agricultural Officer in charge of vanilla desk at MAAIF surveying vanilla maturity

The state of vanilla industry, which was a boom and bust, in the early 2000s, is one thing the industry stakeholders, especially farmers and exporters want to leave behind, once and for all; by establishing Uganda, as the most significant origin of sustainable quality vanilla, a vision that shapes the work of VANEX. The guaranteeing of quality vanilla exports is very critical and dear to the hearts of stakeholders, who share this vision of sustainable quality vanilla, produced and exported from Uganda.

Sustainability, as we may know it has 3 key elements of consideration; the people, in this case the farmers and their household members who ardently toil, to loop the vanilla, pollinate it, watch it through the night to starve away thieves- another reason why some vanilla ends into the

market when it is premature; the farmers and their families should have sustainable livelihood, derived from their hard work; the planet/environment- the care for the planet/environment is well enshrined in the way vanilla grows in Uganda; with no chemical application, growing in the rich fertile soils with no artificial fertiliser application, rain fed, with two vanilla harvest seasons in the year, in the predominantly banana and coffee agro-ecosystem. And lastly the third pillar, the profit; vanilla is no doubt the most lucrative crop for farmers, it has been identified by government of Uganda, through the Ministry of Agriculture, Animal Industry and Fisheries, as a strategic crop, capable of delivering growers out of poverty, due to its high value price, starting at farm gate, and contributes directly and indirectly to several sus-

tainable development goals, starting with the poverty reduction.

To achieve the above, the collective concern of the vanilla exporters through their association, VANEX, contacted the Minister of Agriculture, Animal Industry and Fisheries then, Hon. Vincent Bamulangaki Ssempijja and expressed their concern about the persistent poor quality vanilla exported from Uganda, by virtue of premature harvests, that was rampant in the industry, coupled with uncontrolled middle men, and unknowing farmers; who did not appreciate the negative impact of premature vanilla harvest, on the quality and relative price fetched by Ugandan vanilla on the international market. These were more than enough to trigger the government to take over and regulate the harvest of the crop, through declaring the start of the vanilla harvest season nationwide, that we call “Declaration of the vanilla harvest date”.

It is now in the fourth year, precisely the 7th time, at the season of June-August 2022, the government of Uganda, through the Ministry of Agriculture determining the start of the vanilla harvest season, in the country, through determining, setting and declaring the start of the harvest season for vanilla, nationally. This initiative—the “Declaration of the vanilla harvest date”, is no longer a new thing in the ears of the Uganda vanilla industry stakeholder fraternity.

For the newcomers, what this means and why it started, is worth a brief. As you may know, maturity of a vanilla bean happens 9 months from time of pollination, where vanillin, the most sought-after ingredient in the crop is well established to be at high level. Pollination of vanilla happens over a span of 3 months, with a peak of flowering and pollination happening 40 days to 60 days. Any earlier harvest outside an average relative maturity of at least 75% of vanilla beans not having attained full maturity will render the crop to have a low sample vanillin content, thereby termed as poor quality or low grade.

On track with ensuring only sustainable quality vanilla is produced, the stakeholders together with government have embraced declaration of harvest date as they determine, collectively, when the vanilla harvest season starts. In the fourth year now, we are witnessing unprecedented adherence; farmers have waited to harvest on the date declared, we have seen middlemen openly engaging in discussion, and conversation, supporting this initiative, we see opinion leaders understanding why this initiative is important for the sustainability of the industry while the pro-

cessors and exporters’ stores are reporting overwhelming flow-in of well matured vanilla. What a mileage we are making; should we already celebrate and say the crop quality of this season will be even better than we have seen before? Good question, which we shall answer, when we hear reports from our markets.

But putting some little smiles to everyone’s faces is that, the gains from the observation of the declared harvest date, have already been documented by some buyers; for example, in 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”. This report, is expected again, this season. Why then should you not make your connection, with vanilla exporters and processors from Uganda, when you are seeking sustainable quality vanilla?

It is now in the fourth year, precisely the 7th time, at the season of June-August 2022, the Government of Uganda, through the MAAIF determining the start of the vanilla Season

REGULATORY FRAMEWORK NEW DAWN IN THE VANILLA SUB-SECTOR



By Kiiza Kizito,
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The Writer is the Project Manager, Policy and Advocacy, CRS/Vines project
Funded by the US Department of Agriculture (USDA), the Vines project aims to help reinvigorate the Ugandan vanilla industry and return it to a place of global prominence.

Vanilla in Uganda is not known to many and is considered by many ordinary Ugandans as one of the smallest and least developed among the other major crop sub sectors in the country. Surprisingly, the crop has been grown in Uganda since 1912, and is now a significant non-traditional export of the country. According to the background to the budget of FY2018/2019, Vanilla earned the country 12.671 million USD in 2017 and 8.164 million USD in 2018 making it a strategic crop in the country.

Taking a deeper look into the crop, vanilla is a very cherished spice due to its unique flavor, fragrance, and pharmaceutical properties. It is the second most expensive spice in the world, after

saffron. And its cost of inputs relative to the output (benefits) makes it by far the most lucrative agricultural investment in any geographical area suitable for vanilla growing. This is because there is no need for specialized equipment hence vanilla growing is affordable by ordinary rural farmers.

Like any other crop sub sector, the vanilla Sub-sector has been facing various challenges at each of the different stages of the value chain which has led to the deterioration of the market. These are caused by limited awareness of the requirements of the lucrative markets, inadequate application of the desired agricultural practices, premature harvesting, use of inferior post-harvest



Hon Minister of State for Agriculture Fred Bwino Kyakulaga declaring the vanilla harvesting date, a step towards regulating the industry



Deputy Commandant of the Agricultural Police Unit Alex Twebaze explaining to stakeholders some of the regulatory issues around the vanilla industry.

handling and processing methods, and limited marketing knowhow. Some of these are linked to poor regulatory framework of the sector at both national and sub national level. Since the sector for long has been self-regulating with limited or no government intervention.

Notably, in the recent years government through Ministry of Agriculture Animal Industry and Fisheries (MAAIF) and the district local governments from major vanilla producing districts have taken bold steps to provide an enabling environment for the private and public sector in agriculture to thrive in the vanilla sub sector. Some districts including Kasese and Rubirizi have completed the development of their district ordinances to control vanilla quality at district level while others are on truck. At national level, MAAIF commissioned an in-depth assessment (Regulatory impact Assessment-RIA) of the vanilla industry in Uganda, to propose evidence-based alternative pathways to developing the sub sector and recommend the best possible option for regulation. Which are fundamental steps in giving directions on how to make Uganda the next destination of the World vanilla and maybe even the first destination. The study was completed, and the report validated by various stakeholders comprising of

farmers, processors, exporters, development partners, academia, as well as ministry departments and agencies.

However, as the policy development process at national level progresses, government should be cautious that the country needs an enabling environment that: facilitates and attracts investment (new technology and expansion), promotes production (extension), increases transparency and access to data, enforces standards, and provides the necessary protections/safeguards for farmers (in terms of theft) and ensure children's rights. This can only be possible by striking the balance between those areas where government is best positioned to lead and those areas where the private sector and market-driven solutions could be sufficient.

In conclusion, as government regulates the sub sector, they should be aware that the best regulatory framework is one which is not too heavy handed by government to the extent of stifling the growth of the sub sector. But rather a regulatory framework that is easily implemented, enforceable and creates opportunities in the sector that deliver returns to farmers and processors alike and a growth trajectory for the vanilla sub sector.



Minister of State for Agriculture - Hon. Fred Bwino Kyakulaga (Centre), with vanilla stakeholders validating the regulatory impact assessment report in May 2022

VANILLA PROCESSORS TAKE A BOLD STEP TO IMPROVE FOOD SAFETY IN UGANDA'S VANILLA INDUSTRY

By Hllarion Maheera - Food Safety Expert

Vanilla in Uganda is cultivated in almost all the areas of western, central, and eastern Uganda. The processing which is referred to as curing however is mainly done in western districts of Kasese, Fort portal and the biggest quantity ferried to central Uganda for curing. Many exporting compaies have processing facilities in central region.

Food safety, which in simple terms is the process through which food is handled, prepared, stored and consumed as per the intended use and does not provide harm to the consumer, or "the assurance that food will not cause an adverse health effect for the consumer when it is prepared and/or consumed in accordance with its intended use" (ISO 22000 standard), is key in ensuring that a huge burden of diseases and malnutrition which affect the health of people, disturbs social and economic development, and reduces the quality of life is addressed.

Many small processor have had a practice of curing vanilla with minimal consideration for food safety in their operations. Few processors have documented the food safety system to a point of certification. This level of implementation has created a big gap in comparison with the international requirements. The challenges facing the sub-sector seem to be ranging right from the farming process to the final postharvest activities. In the past, and it still is the case to some degree, farmers harvest immature green vanilla beans and surprisingly, they get market for them. This shows that this practice is not mainly a problem with the farmers, but it is instigated by the traders of vanilla, whom we call the buyers. The

immature vanilla beans have low vanillin content which is the principal interest for the final users of the spice. When the beans are harvested immature, the overall quality of the products is reduced and normally is characterized by a lot of mold growth which end up reducing the quality of vanilla Uganda sends to the international market. Mold growth is also one of the causative factors for dietary toxins which are responsible for cancerous diseases in humans.

To safeguard the consumers, food safety principles need to be considered in all stages of vanilla handling and prevent cross contamination with other hazardous contaminants which might get in contact with the spice. With support from the CRS Vines project, implemented by the Catholic Relief Services Uganda, with a host of other international implementing partners, and in collaboration with the vanilla exporters association, VANEX, a drive to train middle level processors on importance and practices that promote food safety across all major vanilla growing districts is under way. The desire for change, to embrace the call to improved quality of vanilla from Uganda is taking place with the processors. The goal is to change the narrative about the quality of Uganda vanilla. "

With this drive to focus on training processors, and creating awareness of quality and food safety in the vanilla industry among middle level actors; it is expected that all stakeholders in the industry will develop interest and take an active part in ensuring they observe good agriculture and processing practices, to ensure an improved Uganda vanilla quality.

The desire for change, to embrace the call to improved quality of vanilla from Uganda is taking place with the processors. The goal is to change the narrative about the quality of Uganda vanilla.



Executive Director together with farmers inspecting vanilla maturity to promote harvesting of only mature beans.



Workers at Enimiro Ltd sorting and grading vanilla



The Field Manager at Esco Ltd together with the Vanex ED and General Manager of Mughette Vanilla Farmers' Cooperative inspecting vanilla gardens in Kasese District

VANILLA MARKET OUT LOOK JULY 2022:

IMPRESSIONS GAINED FROM VARIOUS DISCUSSIONS WITH GLOBAL VANILLA MARKET WATCHERS *By Florence Nagawa- Executive Director*

The current state of the global vanilla market continues to be dance between happenings in Madagascar and buying from consumer countries, the global outlook has important implications for Ugandan traders and farmers. While overall demand for vanilla remains strong, there is debate about whether it has hit 2015's levels of 2,800 MT. A deficit of vanilla is not expected in 2023. However, excess stock levels are expected to recede, which could impact the supply-demand balance in the future. That said, some experts suspect that a portion of buyers are purchasing now to cover next year's need in the face of unpredictable future market conditions. If this hypothesis holds true, next year's demand could be less robust than it might otherwise be.

In Madagascar, the government has confirmed that the minimum export price imposed for 2021 will remain in place for 2022. Unless there is any unforeseen event, many watchers are expecting relative stability in the market for the next 12-18 months. For Uganda, stability of current conditions is a positive trend. Buyers have signaled an appreciation of the Ugandan government's measured engagement in the market and signals of investment in strengthening enabling market conditions. Recent improvements in vanilla quality have also been appreciated by buyers. While the market holds steady, a continued opportunity exists for Uganda to raise its international profile as a hassle-free, predictable alternative to other origins.

HAVE YOUR SAY

IF YOU WERE TO CHANGE ONE THING ABOUT THE UGANDA VANILLA INDUSTRY, WHAT WOULD IT BE?

Gordon Jones - Coetzee Organic U Ltd

One of the main problems is that farmers do not appreciate the importance of supplying only mature vanilla after the buying date has been announced. Unfortunately, there are vanilla buying companies that will buy all vanilla offered to them by the farmers irrespective of the maturity of the product. To produce quality vanilla, only mature vanilla should be purchased and processed. Therefore, there is a need to monitor the buying of vanilla.

Vanilla takes 9 months to mature from pollination. The problem is that pollination takes place over a period of 3 months. Therefore, vanilla purchases should be staggered to reflect this issue.

Umar Kityo, trainer, Vanex.

I would start by organizing and bringing all the vanilla farmers together into a Participatory Guarantee System (PGS) model of production to guarantee both product quality and quantity then I bring all Vanilla traders on board still into a PGS system, to build their capacity and ensure that they pay fairly or give premium prices for the farmer's high-quality vanilla.

Then for the last mile connectivity, I would build trust with the international market to make Uganda's vanilla highly demanded.

After all those efforts, I would then lobby and advocate for proper by-laws and ordinances from the Government to protect the vanilla industry. For instance, farmers would no longer get paid in cash but via wire or bank payments for their safety from thieves and to increase their financial literacy.

Lillian Anguparu – Vanilla Exporter

We would develop a Ugandan Vanilla brand, and promote it so that the Ugandan Vanilla stands out in the international markets! Rather than our superior beans being mixed with other origin beans.

The Ugandan Vanilla would be recognized in the international markets! We are tired of clients asking if Uganda too produces Vanilla. And this is because Uganda is still not well known as an origin for Vanilla production.

Rev. Yofesi Baluku Kitholhu - Farmer from Kasese

I would organize all vanilla farmers into area-based cooperative societies for effective coordination, capacity building, and efficient marketing.

Leticia Namagembe, Board Member, Vanex.

I get an opportunity to change the Uganda vanilla industry I wouldn't allow anyone to export vanilla below 2.0 vanillin content, it would reduce the vanilla thefts and immature harvesting of the vanilla beans. I would also advise the government officials in the ministry of agriculture who issue out the phytosanitary to first assess the quality before issuing the certificate to any exporters. It's also good to check where the vanilla is processed.

Vincent Kayanja - District Production Officer-Buikwe District

I would lay strategies and means of improving security to reduce on cases of theft which at times lead to premature harvests and therefore poor quality vanilla.

Kule Archangel , Manager, Mughette Nyakabale Vanilla Coffee Growers Cooperative Society Ltd

I would treat the industry the way how fish is being treated in order to reduce on thieves and premature buyers who destroy the quality and encourage our children to steal vanilla.

UNBS WANTS VANILLA ACTORS TO STEP UP



Mufumbiro Hakim - UNBS Head of Food and Agriculture Standards Division.

Regulation is a key component in ensuring a boost in the vanilla industry. Uganda's premier Standards setting body, Uganda National Bureau of Standards supports the path that would ensure sustained exports of quality vanilla. We talked to the UNBS Head of Food, and Agriculture Standards division, Mufumbiro Hakim Baligeeya about what's being done to elevate the vanilla industry, and more.

1. Mr. Hakim, a little bit about yourself and an overview of what's going on at UNBS in light of regulating the industry?

In 2009, Uganda adopted international standards for vanilla. This is how we set ourselves up for the international market, it has been the starting point for UNBS, we can't do any regulation unless we start there.

It's been 13 years now, and the vanilla standards are mandatory, compulsory, they are enforceable and help in the regulation of the industry. Vanilla in pods, in bulk, or in powder.

2. What was the industry situation like before seeking international regulation?

Not good, the vanilla market was driven by forces of demand and supply, and regulators would never know what was going on, it was chaotic, to put it kindly.

3. What changes have happened as a result of adopting these standards?

Standards are efficient in a structured system. Export standards differ, and different countries may require different standards. China will ask you for something different from what the US asks, but when you meet the international standard as we have done for vanilla, you can export anywhere.



Training farmers on good agriculture practices is one the starting points for quality

4. What are some of those critical tests for vanilla for example?

We look for vanillin content as the main thing, then we also look for moisture content, pesticide residues, and what you would call aflatoxins, and then we screen for microbes.

5. Which of these tests are most critical and what else have you achieved in terms of certification?

When we reached out to vanilla stakeholders, they didn't know we could test this, we have also been able to certify companies, so we are doing regulation through certification.

6. Which facilities and capacities do you have to ensure these tests are done?

We have the capacity for testing in Kampala, we also have regional offices in Mbale, Gulu and Mbarara.

Vanillin, we need to check the vanillin content first, it's like testing chilli for pergency. It's very key.

When we reached out to vanilla stakeholders, they didn't know we could test this, we have also been able to certify companies, so we are doing regulation through certification.



Vanilla consignment ready for export at Uvan Ltd

7. I suppose the standards you talked about include food safety requirements?

Absolutely, food safety and quality are the two key requirements at the international level, so the standards have them.

8. What's the turnaround time for these tests and how much are they?

It all takes 10 days from the day of submission of a sample, for each parameter, the range of costs is 200,000 the lowest, and 750,000 the highest.

9. What kind of feedback have you sensed from the international market?

UNBS has limited engagement in the vanilla market per se, our role is not market facing, but regulatory, so we are set up to standardize the sector, but that's just how far we can go.

10. What kind of quality feedback have you sensed from the international market?

UNBS has limited engagement in the vanilla market per se. Our role is not market-oriented but regulatory, so we are set up to standardize the sector, but that's just how far we can go.

11. How are you then able to monitor how these standards are ensured and followed?

Certifications are our way of monitoring, but generally, the vanilla industry hasn't embraced what we are offering. Currently, we have three companies in the process of acquiring food safety certification, but no problem, we just got started. Sensitization towards the same is also underway. By the way, companies are able to pay subsidized fees.

12. What else would you like vanilla industry players to know?

Your industry needs to take advantage of the ongoing UNBS support and work at meeting requirements for a vanilla trading that will thrive.

Everything is still a work in progress so we need everybody to rally around this first step if we are going to revive the vanilla industry.



Vanilla beans almost reaching maturity



WHO WE ARE

The Association of the Vanilla Exporters of Uganda Limited (VANEX) is a membership organization constituted by vanilla buyers and exporters in 2003 and incorporated in Uganda in June 2005 as a company limited by guarantee. Our intent was to pool the resources of the members and to harmonize and co-ordinate our efforts and activities in the best interest of the vanilla export industry in Uganda. We have since grown into an officially recognized organization that serves as a platform, which contributes to the effort to create an enabling environment for sustainable vanilla production and trade with a view of making Uganda a reliable global source of high quality natural vanilla.

We are the private sector voice of Uganda's vanilla industry.

VISION

We envision a world in which Uganda is the most significant origin of high quality sustainable vanilla.

MISSION

We aim to pool resources of members, harmonize, and coordinate their efforts and activities for a sustainable and profitable vanilla industry in Uganda.

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