

OFFICIAL NEWSLETTER OF UGANDA FLOWERS EXPORTERS ASSOCIATION (UFEA)



Dear Esteemed Members,

Please receive the March 2026 edition of the Uganda Flower Exporters Association newsletter. It is a defining moment for our industry, to stand strong in resilience, adaptation, and the power of collaboration.

We are faced by global disruptions, particularly the ongoing Middle East conflict, having exposed the vulnerability of our export systems. Challenges in air logistics including reduced cargo capacity, rising freight costs, and shipment delays, continue to strain farm operations, profitability, and ultimately livelihoods and national foreign exchange earnings. These realities call for urgent, coordinated support and innovative responses across the sector.

At the same time, maintaining strict compliance remains critical. A few recent interception cases reinforce the need for alertness in phytosanitary vigilance, rapid response mechanisms, and adherence to international standards to safeguard market access and protect the strong reputation of Uganda's floriculture industry.

On the social sustainability, ongoing discussions around floor wage adjustments highlight the need to balance fair worker remuneration with farm viability. UFEA's engagement with Fairtrade and MPS has emphasized that the industry remains committed to fair labour practices, with a growing need for practical, inclusive frameworks that reflect operational realities, including rising production costs and existing in-kind benefits.

Amid these challenges, we congratulate ourselves for increased collaboration among member farms, alongside partnerships with academic institutions such as Makerere University, aimed at strengthening skills development, research, and innovation within the sector. These efforts are essential for building long-term competitiveness and resilience.

UFEA's advocacy continues to make meaningful strides, including improved regulatory coordination through engagement with key institutions such as NEMA and URA, helping

to address operational bottlenecks and enhance environmental stewardship.

As we move forward, emphasis is that the future of our sector depends on collective action. By working together; growers, regulators, and partners, we can navigate current challenges and position Uganda's floriculture industry for sustainable growth.

I encourage all members to remain proactive, collaborative, and committed to excellence during this critical period.

Sincerely,

Esther Nekambi

Executive Director

1.0 Updates from Fresh Handling Ltd

Uganda Flower Industry Under Pressure: How the Middle East Conflict is Disrupting Uganda's Flower Industry

A Logistics Crisis Unfolding

Uganda's floriculture industry, comprising both roses and cuttings, is facing a severe disruption as the ongoing Middle East conflict destabilizes global aviation networks.

The impact is being felt across the entire value chain. Rising fuel prices are increasing the cost of farm operations, handling, and transportation, while at the same time limiting access to international markets. Air freight, which is the backbone of flower exports, has become constrained, more expensive, and less reliable. For a sector that depends on speed and precision, these challenges are translating into immediate financial losses and growing operational pressure.

Severely Reduced Air Cargo Capacity

The most immediate challenge is the sharp reduction in available cargo space.

Industry estimates indicate that global air freight capacity on key **Middle East–Europe** has declined by approximately **18%**, following disruptions across major transit hubs such as Doha, Dubai, and Abu Dhabi.

For Uganda, the impact is more pronounced for belly hold cargo capacity on key airlines has reduced by **65%**.

This sharp decline at aircraft level highlights the severity of the constraint compared to global averages. With fewer flights and reduced cargo space on each aircraft, the available capacity for perishable exports such as roses and cuttings has been severely restricted.

The result is a critical bottleneck in the export chain, where demand continues to exceed available capacity, leading to frequent offloads and delays in getting products to market.

Passenger Demand Further Tightening Capacity

The capacity constraints have been made worse by increased passenger demand.

With the reduction of Middle East carriers operating into and out of Entebbe, passenger traffic has been forced onto the limited remaining airlines serving the route. This shift has significantly increased demand for Passenger aircraft departing from Entebbe, which also carry cargo in their belly hold.

Airlines are prioritizing passenger traffic, leading to:

- Reduced cargo allocations
- Frequent offloading of confirmed flower shipments

- Increased uncertainty for exporters

This shift has intensified the already limited capacity, making it more difficult to secure space even for confirmed bookings.

Delays, Offloads, and Declining Product Quality

As a result of limited space and operational disruptions, exporters are facing longer transit times and frequent shipment rollovers.

Delays of up to 48 hours or more are becoming common due to rerouting and congestion at major transit hubs in the Middle East. For highly perishable products like flowers:

- Shelf life is reduced
- Quality deteriorates
- Market prices drop
- Rejection rates increase

Even small delays have a direct impact on revenue, making reliability just as important as cost.

Rising Freight Costs and Operational Charges

Airlines are facing significantly higher operating costs due to:

- Increased fuel prices
- Longer flight paths caused by airspace restrictions
- War risk insurance charges

These costs are being passed on to exporters through continuous rate increases.

Recent examples include:

- Increase from **\$2.50/kg to \$3.45/kg → 38% increase**

Handling agents are also receiving frequent updates from airlines on new surcharges and cost adjustments, creating a highly unstable pricing environment.

Farm-Level Impact: Losses and Waste

The combined effect of limited capacity and high costs is severely affecting farms.

With insufficient cargo space:

- Significant volumes of flowers cannot be shipped
- Farms are forced to destroy unsold roses and cuttings
- Losses are running into millions of dollars

This is particularly challenging given the high cost of production and the perishability of the product.

Rising Costs Across the Value Chain

Fuel price increases are impacting every stage of the operation.

At farm level:

- Higher costs for irrigation, and greenhouse management
- Increased transport costs to move flowers to handling facilities

In addition, the cost of farm inputs such as fertilizers and agrochemicals has risen due to increased transportation and production costs globally.

These combined pressures are significantly reducing profit margins across the industry.

Employment and Economic Impact

Uganda's floriculture sector is a major employer and economic contributor.

- Direct employment: Approximately 10,000 workers
- Indirect livelihoods: Hundreds of Thousands

The current disruptions therefore threaten not only exporters but also jobs, incomes, and foreign exchange earnings.

Market Instability and Business Uncertainty

The industry is now operating in a highly unstable environment.

Exporters are facing:

- Unpredictable cargo availability
- Frequent flight changes and delays
- Rapid and continuous cost increases

This uncertainty is making it difficult for businesses to plan, fulfil contracts, and maintain consistent supply to international markets.

The Need for Urgent Government Support

Given the scale of the disruption, government intervention is critical to support the industry.

Key areas of focus include:

- Facilitating additional cargo capacity, including charter flights
- Engaging with airlines operating through the Middle East to maintain routes
- Supporting exporters in managing rising operational costs

- Ensuring financial support mechanisms to maintain cash flow

Conclusion: A Sector Under Pressure

The Middle East conflict, while geographically distant, is having a direct and significant impact on Uganda's flower industry. From reduced cargo capacity to rising costs and operational challenges, the effects are being felt across the entire value chain.

Without timely and coordinated intervention, the pressure on exporters, workers, and the broader economy will continue to grow, placing the long-term sustainability of the sector at risk.

Tom Gitau

General Manager, Fresh Handling Ltd

2.0 Regulatory Compliance

2.1 Interceptions: Strengthening Phytosanitary Controls: A Proactive Response to Risk

Recent interception cases in the sector highlight the growing impact of pest pressure and climatic conditions, particularly during periods of increased rainfall. In one instance early in March, a restricted organism was detected on the market side which was traced to a specific production house, prompting an interception.

What is notable is the farm's proactive and responsible response. Upon suspicion of a possible issue, the farm immediately initiated containment measures, including quarantining the affected area, convening an internal crisis meeting, and mobilizing staff to strengthen control measures. A comprehensive corrective action plan was also developed and was actively being implemented with guidance from MAAIF inspectors.

The farm further demonstrated accountability by engaging authorities and requesting appropriate quarantine of the affected house while ensuring that compliant consignments continue to be cleared for export.

This case reinforces an important message for all member farms: strong phytosanitary systems, rapid response to risks, and strict adherence to compliance protocols are critical to preventing interceptions and safeguarding market access.

UFEA urges all farms to continuously strengthen monitoring systems, maintain strict hygiene and quarantine standards, and act swiftly and decisively on any phytosanitary risks to protect both individual farm performance and the reputation of the sector.

3.0 Voluntary standards compliance

3.1 UFEA – MPS/Fairtrade engagement meetings on floor wage (16th and 23rd March 2026)

Balancing Fair Wages and Farm Sustainability: The Floor Wage Adjustment

On 16th March 2026, UFEA convened a meeting with MPS and Fairtrade to strengthen understanding of the Floor Wage concept and discuss the practical challenges farms face amid current industry volatility.

The floor wage is the minimum pay required for workers on certified farms and serves as a safeguard against extreme poverty. It is linked to the World Bank's global poverty line, which increased in June 2025 from \$2.15 to \$3.00 per person per day—a 39.5% rise reflecting global economic pressures.

While this adjustment is fair and aligned with MPS and Fairtrade standards, it presents significant cost implications for Uganda's floriculture sector. To ease the transition, a phased approach has been introduced:

- By 01 August 2026: Implementation of half the increase (\$2.58/day)
- By 01 March 2027: Full implementation (\$3.00/day)

Despite this, farms continue to face rising input and freight costs, with limited flexibility in global market prices.

A key concern is that current wage calculations exclude in-kind benefits such as meals, medical care, education support, and housing—yet these significantly improve worker welfare. This creates a gap between reported wages and actual value received by workers.

To address this, UFEA has proposed to MPS and Fair trade:

- Recognition of the sector's Collective Bargaining Agreement (CBA) as a valid wage benchmark
- Extension of the implementation timeline to three years
- Introduction of a framework to partially recognize verified in-kind benefits

Ugandan flower growers remain committed to fair labour practices. However, sustainability must be balanced because a system that weakens farms ultimately harms workers.

Sustainable flowers can only exist where sustainable farms survive.

Follow up meeting with FSI was held on Monday March 23 at 12.30 CET

The meeting convened multi stakeholder representatives from Fairtrade, MPS, growers, breeders, sector organisations, FSI and STOU to discuss a proposed floor wage for the floriculture sector and to review methodology, sector context, and implications. After presenting the agenda, speakers reviewed structural reasons for low wages in producing countries

Sector context and causes of low wages

Presenters described that not all producing countries have statutory minimum wages and

that sector characteristics—agrarian economies, large low-skilled labor pools, weak labor law enforcement, and limited union capacity—contribute to low wages. They also emphasized that price pressures in the chain mean responsibility for wages should be shared across supply chain actors.

Wage category definitions and Kenya example

The meeting defined minimum wage, basic wage, floor wage, CBA wage, and living wage, and explained calculation bases for each. Kenya was presented as an example showing the floor wage above the CBA but below the living wage, with a reported 71% gap toward living wage levels.

Wage categories were clarified for common understanding: statutory minimum, basic wage, CBA wage, floor wage, and living wage.

In Kenya, the floor wage (based on \$3/day) is higher than the CBA but still substantially below the living wage, demonstrating a significant gap (71% reported).

Kenya Example and 2026 Adjustment

The Kenya calculation was presented with PPP 50.25, the \$3 poverty line, average month days 30.4, and 1.69 breadwinners, producing a floor wage reported around KES 13,559, and Monique explained a 2026 concession due to a 40% step increase in the poverty line that temporarily lowered the applied floor wage for that year.

Kenya example: PPP 50.25 multiplied by the \$3 poverty line yields an estimated floor wage around KES 13,559 (with a special 2026 adjustment noted).

Q&A on living wage scope and benefits inclusion; methodology details begin

Participants asked whether the living wage figures shown were specific to floriculture and whether the floor wage includes benefits like housing; presenters clarified the living wage shown was for a flower area and indicated they would address benefits later, and then began outlining the indicators used in the floor wage calculation, emphasizing use of World Bank and Global Living Wage Coalition data and local currency expression.

Collective Bargaining, Industry Pressure, and Stakeholder Engagement

Wilbert referenced past media exposés and evolving regulatory pressures (e.g., German supply chain law, EU CSDDD) as drivers for industry attention on wages and noted ongoing engagement with unions and East African stakeholders to align floor wage policy with collective bargaining and avoid conflicting industrial relations outcomes.

The floor wage and CBAs are separate mechanisms, and the floor wage has recently overtaken CBA wage levels in Kenya.

Comparison with CBAs and Allowances Policy

Participants confirmed discrepancies between floor wage calculations and CBA wages,

reporting that CBAs historically exceeded the floor wage but that the floor wage has now overtaken CBA levels in Kenya, with a present CBA figure cited at KES 2,499 versus floor wage estimates in the KES 10,607–13,559 range depending on assumptions. Monique and Renske clarified that allowances are permitted for 2026 but will be excluded from the floor wage calculation as of 2027 per standards proposals.

Buyer Responsibility, Audit Consistency, and In-Kind Benefits Risks

UFEA and other participants urged buyer contribution (e.g., higher stamp prices and phased timelines) to prevent placing full cost burdens on growers and suggested a three-year adjustment period in some markets. John and Esther highlighted audit inconsistencies around allowances and reported that converting in-kind benefits to cash could leave workers worse off because cash may not purchase equivalent services like meals, medical care, or daycare.

Stakeholders requested buyer contribution and phased implementation (e.g., three-year adjustment windows or stamp price increases) to avoid burdening growers alone.

There are concerns that including allowances and in-kind benefits in floor wage calculations creates discrepancies across audits and may reduce workers' real access to services if employers convert benefits to cash.

There is concern that removing benefits from calculations could make workers worse off, requiring a detailed review of UFEA's points.

Agreement to Review Concerns and Maintain Industry Engagement

Martin and others agree to deep dive into the comments raised to avoid unintended negative consequences. Jeroen and others emphasize collaboration across schemes and countries to implement the measure responsibly.

4.0 UFEA Member Farm Engagement meetings

4.1 Peer Learning in Action: UFEA Members Engage at Pearl Flowers

On 21st March 2026, UFEA convened farm leaders and technical teams for a peer learning visit at Pearl Flowers Ltd. The engagement highlighted a growing shift toward collaboration, transparency, and shared problem-solving within the sector.



The visit showcased Pearl Flowers’ disciplined production systems, with particular focus on greenhouse hygiene, uniformity, and post-harvest handling. The farm’s steady growth—averaging 3.7 million stems annually—offered a strong benchmark for operational excellence.

Discussions extended beyond farm practices to key sector challenges, including rising freight costs, logistics inefficiencies, and claims handling gaps. Members emphasized the need for coordinated shipment planning and stronger documentation standards to improve competitiveness and accountability.

The engagement reinforced a clear message: future sector growth will depend on collective action. Top priorities identified include strengthening logistics coordination, investing in technical capacity, advancing climate-smart production, and leveraging UFEA as a platform for industry-wide solutions.

UFEA continues to position peer learning as a strategic tool for enhancing quality, resilience, and market competitiveness across the flower sector.



4.2 Strengthening Industry–Academia Collaboration: UFEA and Makerere University

Align on Skills and Innovation

On 26th March 2026, UFEA, in partnership with Makerere University – CAES, held a high-level experience sharing session at Rosebud Ltd, bringing together senior farm managers and academia.

The session focused on bridging the gap between training and industry needs, with strong consensus on the need for more practically trained graduates and closer collaboration between farms and training institutions. Key priorities include strengthening internships, integrating industry input into curricula, and using farms as practical training and research sites.

A new training framework was agreed, emphasizing short, industry-focused certified courses alongside specialized advanced training. Priority areas include hydroponics, pest and disease management, fertigation, post-harvest handling, biosecurity, and data-driven decision-making.

The engagement also highlighted the need for applied, industry-driven research, particularly in pest and disease early warning systems, biological controls, new varieties, and environmental solutions, supported by improved access to laboratory services.

A technical working group will operationalize the agreed training framework, marking a shift toward a more structured, continuous capacity-building approach.

For top management, the key message is clear: sustained investment in skills, training, and partnerships with academia will be critical to driving innovation, compliance, and long-term sector competitiveness.



Caution to Member Farms: Fertilizer Quality Matters-

During the engagements, members raised concerns about possible mismatches between the declared composition and actual performance of some inorganic fertilizers, as well as inconsistencies in stated versus actual weights.

Such gaps can directly impact crop health, yields, and farm profitability.

Member farms are strongly advised to strengthen quality control measures when procuring fertilizers, including:

- *Verifying weights upon receipt*
- *Conducting periodic laboratory analysis to confirm nutrient composition*
- *Sourcing from trusted and reliable suppliers*

Strict fertilizer quality control is essential to protect crop performance and safeguard the competitiveness of the sector.

5.0 LOBBYING AND ADVOCACY

5.1 NEMA Appoints Focal Person for the Flower Sector – A Milestone for UFEA

On 10th March 2026, NEMA nominated Ms. Sarah Kawala as the focal person for the Uganda flower sector—marking a significant milestone in strengthening coordination with UFEA.

This follows a formal request by UFEA in September 2025 to establish a dedicated focal point to support structured engagement on environmental and compliance matters. The decision reflects sustained advocacy by UFEA since 2022, including engagements under the Commercial Flower Farms Integrated Catchment Management Partnership, supported by GIZ through the NatuReS programme.

The partnership laid a strong foundation for multi-stakeholder collaboration, enabling constructive dialogue between UFEA and NEMA over the years. The appointment of a focal person is a direct outcome of these efforts and will enhance communication, responsiveness, and coordination between the two institutions.

UFEA welcomes this development as a key step forward in advancing effective engagement, regulatory collaboration, and sustainable growth of the flower sector.

5.2 Updates on URA farms are grappling with e.g Follow up with URA on EFRIS and Certificates of Origin –

UFEA communicated to URA of members challenge raised, main concern requiring closing the critical gap in the data flow between the Customs and Fiscalization modules. The current system logic is triggering automated errors that are outside of user control.

Because the systems are not properly synced, farms are being forced into errors and making more requests for credit notes

Required Actions:

Interface Calibration: Improve the data mapping between the two departments to ensure parity. Closing this gap is as well a priority to ensure our reporting remains accurate.

URA Response

A harmonized position on Certificates of Origin was reached following the internal discussions within URA. **Contact persons** Timothy Malinga 0772388216 and Jude Ochieng Regarding the EFRIS system, URA is still fine-tuning the solution. UFEA's submission is indeed among the issues they have scoped to resolve.

6.0 JNC progress update

Two employer representative meetings were held to finalize the proposed CBA on working conditions before the formal JNC meetings to discuss the reviews. A physical meeting was held on 6th March 2026 and this was followed up by a virtual meeting on 12th March 2026. The goal of the employer representatives is to conclude / finalize the CBA on working conditions in not more than five weeks.

Mediation meeting by NOTU, scheduled for 25th March did not happen because the union General Secretary of the union was not available. Proposed new date is 10th April 2026.

7.0 UP COMING EVENTS

1. UFEA ED farm visits - Dates TBC
2. UFEA-NOTU-UHISPAWU meeting - 10th April 2026
3. Makerere University – UFEA meeting: follow-up on Rosebud meeting - 15th April 2026
4. UFEA -NEMA engagement meeting – 16th April 2026
5. Labor/Employment Relations Training for HRMs by FUE – 23rd April 2026

Your Feedback column

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