

DRIVING GROWTH IN UGANDA'S HORTICULTURE SECTOR: UFEA, HORTIFRESH, AND FHL STRENGTHEN TIES



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UFEA Board Chairman's message

Dear members of UFEA,

I am glad to share a brief on a meeting held at UFEA office on 29th May 2025 with the leadership of HortiFresh Association.

In the context of developing partnerships and the strategic importance of working closely with UFEA and FHL to strengthen sector visibility and competitiveness. It was agreed that synergies exist between UFEA and the HortiFresh Association in areas such as lobbying and advocacy, training, fundraising.

We discussed the history and structure of FHL's shareholding and explored the relevance and benefits for HortiFresh Association in owning or accessing shares in FHL.

The two entities need to work to reduce freight charges and increase throughput to keep the businesses running, especially when FHL's new facility becomes operational.

Hortifres to create awareness among their association members to be shipping through the FHL facility

HortiFresh Association expressed interest in collaborating with UFEA and FHL to co-host the Uganda Horticulture Summit.

The two-day Summit would serve as a platform for promoting investment, innovation, and policy dialogue in the Horticulture sector, but must be anchored on a unique value that doesn't duplicate the Harvest Money expo and others already in place.

UFEA ED and HortiFresh ED will follow up in the discussion and update on progress.

Sjoerd de Boer

UFEA Board Chairman

Executive Director's Message

Esteemed Members,

I am pleased to extend the 05th issue of 2025 UFEA Newsletter with updates from the secretariat on issues of substance to your businesses and activities done.

Welcome Mr. Barry Smales has started as new MD at RvZ Uganda. b.smales@Royalvanzanten.com to Uganda Floriculture industry and UFEA.

The months was very challenging; starting the sadden passing Mr. Rajiv Ruparelia who was the Managing Director of Rosebud Limited & Premiers roses Ltd, Uganda's leading flower exporter. Under his leadership Rosebud expanded from 13 hectares to 80 hectares with more than 1,900 staff and exporting over 150 million roses annually. His sudden demise has left pain. We pray for the family of Dr. Sudhir Ruparelia and his dear wife Mrs. Jyotsna Ruparelia; the Late's wife and daughter; his siblings, nephews and nieces during this trying time and as they come to terms with this huge loss. UFEA put a condolence message in the new vision paper in May 22 2025 (Page 8).

Another sad news received on 31st May 2025 was the passing on of the Founder and Chairman of Aurum Roses, Mzee J.V. Lodhia. Our sincere prayers for comfort to Mr. Kunal Lodhia, and the family of Aurum roses Ltd.

Please share your feedback about this newsletter by filling in the form to help us improve.

Your Feedback column

<https://forms.gle/QgXyfNdwb9wMLibJ7>

Sincerely,

Esther Nekambi

1.0 Regulatory Compliance

1.1 Regulatory Requirements & Permits for Floriculture Enterprises in Uganda: A Guide to farms.

Different ministries in Uganda are responsible for the development of the floriculture sector, including:

- The Ministries of Water and Environment, and her agencies NEMA for Environment Impact Assessment/compliance permits, Directorate of Water Resources Development (DWRD) for water permits.
- Ministry of Labour Gender and Social Development (MoLGSD) for labour standards (OSH); NSSF
- Ministry of Local government/district local governments for local permits and lately give introduction letter to prove physical address in case of import of specific inputs.
- Ministry of Lands all land acquisition related matters
- Ministry of trade and her agencies (UNBS, UFZEPA)
- Ministry of internal Affairs (work permits, National IDs)
- Ministry of Finance and her agencies- URA.
- Ministry of Agriculture, Animal Industry and Fisheries; the NPPO is responsible for Plant Health Inspectorate Services and is responsible for issuing phytosanitary certificates and ensuring that flower producers meet the stringent standards required for export access to the EU, and other markets. Department of Crop Inspection and Certification (DCIC) is in charge of production sites inspection and approval of exports of both cut-flowers and planting materials; approval of imports for planting materials and crop protection products.

It's important to note that government is linking all ministries and her agencies on information management systems (IMS) for ease of tracking, monitoring and regulation for compliance with national regulations. We highlight key steps here and more information will be shared in subsequent newsletters.

The Ugandan floriculture industry, a significant contributor to the country's economy and one of its largest foreign exchange earners faces a complex and burdensome tax environment. Not only does it provide significant employment opportunities and generate foreign exchange earnings, but it also contributes to government revenues through various tax channels.

1. Business Registration

- Uganda Registration Services Bureau (URSB): as a one stop registration center for all businesses in Uganda. This Registration is now mandatory requirement for accessing vital services ranging from banks, suppliers, government, among others.
- Uganda Revenue Authority (URA): Obtain a Tax Identification Number (TIN) for tax purposes and as a mandatory legal requirement for all your business operations.

2. Tax Compliance

- Corporation Tax: Applicable to companies at a standard rate of 30%.
- Income Tax: For individuals, based on applicable rates.
- Pay As You Earn (PAYE): Withheld from employees earning above UGX 235,000 per month.
- Withholding Tax: Applicable on supplies exceeding UGX 1,000,000.
- Value Added Tax (VAT): Applicable if annual turnover exceeds UGX 150 million.

3. Export Registration & Certification

- Register as an exporter.
- Ministry of Agriculture, Animal Industry and Fisheries (MAAIF): Obtain a Phytosanitary Certificate, which certifies that your flowers are free from pests and conform to import requirements of destination countries.

4. Packhouse Inspection

- Undergo inspection by MAAIF's Department of Crop Inspection and Certification to ensure compliance with export standards.

5. Water Abstraction & Environmental Compliance

- National Environment Management Authority (NEMA): Ensure compliance with environmental regulations.
- Directorate of Water Resources Management (DWRM): Obtain permits for water abstraction and wastewater discharge.

6. Investment Licensing (For Foreign Investors)

- Uganda Investment Authority (UIA): Obtain an investment license if the investment is above US\$250,000.

7. Export & Import Licensing

- Ministry of Trade, Industry and Cooperatives (MTIC): Apply for Licence for export/import of goods.

8. Free Zone Status (Optional)

- Uganda Free Zones Authority (UFZA), now Uganda Free Zones and Export Promotions Authority (UFZEPA): Apply for free zone status to benefit from tax incentives such as exemptions from taxes on exported goods and income from agro-processing.

Please reach out to UFEA for support on these regulatory requirements

1.1 Environmental Compliance

Advisory to UFEA Members: Compliance with National Environmental Regulations

Uganda Flower Exporters Association (UFEA) has maintained close engagement with NEMA since the last physical meeting. NEMA team visited 4 farms last month, this was intended to diffuse the biased mindset of the regulators on farm operations and to protect our reputation for quality in international markets by proving that our operations are environmentally responsible and legally compliant. In light of this, we wish to reiterate the need of adhering to national environmental regulations, particularly the **National Environment Act, 2019** and the **Water Act**.

Why Compliance Matters

1. Legal Obligation:

The NEMA Act 2019 and Water Act set the legal framework for sustainable environmental management in Uganda. Compliance with these laws is not optional—it is a binding duty. Non-compliance can result in serious penalties including fines, suspension of operations, and reputational damage.

2. Sustainability and Resource Security:

As exporters of flowers, our industry depends heavily on land, water, and climate-sensitive ecosystems. Compliance with environmental regulations ensures the long-term availability of clean water, fertile soil, and a healthy workforce. It is an investment in the sustainability of our operations.

3. Market Access and International Standards:

Major international buyers increasingly demand that suppliers demonstrate environmental stewardship. Adherence to national environmental laws aligns us with international certifications, we have seen this alignment grow stronger and stronger in the new versions of the international standards-MPS.

4. Risk Mitigation:

Environmental degradation—whether through water pollution, unsustainable water abstraction, or habitat destruction—poses operational and reputational risks. Compliance with the NEMA Act and Water Act helps us mitigate these risks through preventive measures, proper waste management, and environmental audits.

Key Compliance Areas to Monitor

- **Environmental Impact Assessments (EIA):** Ensure that all activities requiring an EIA are duly assessed and approved.
- **Waste and Effluent Management:** Maintain proper handling, treatment, and disposal of waste to prevent contamination of land and water bodies.
- **Water Use Permits:** All water abstraction or discharge must be licensed under the Water Act.
- **Buffer Zones and Biodiversity Protection:** Maintain required buffer zones and avoid activities in wetlands or protected ecosystems. Or ask your EIA consultant to guide on the possibility of applying for wetland management permit.

1.2 Phytosanitary Compliance

Summary of EU interception of Ugandan flowers Report –(Jan -April) 2025

NOTIFICATION DATE	CROP COMMODITY/ VARIETY	COUNTRY	QUANTITY	CAUSE OF INTERCEPTION
13.01.2025	Roses	Netherlands	3,422 Kgs	FCM
16.01.2025	Cuttings	Netherlands	1,170 Kgs	Documentation
20.01.2025	Roses	Netherlands	2,444 Kgs	FCM
20.01.2025	Roses	Netherlands	1,556 Kgs	FCM
07.02.2025	Roses	Netherlands	1,848 Kgs	FCM
17.02.2025	Cuttings	Italy	2 Kgs	Documentation
17.02.2025	Cuttings	Netherlands	56 Kgs	Documentation
22.02.2025	Roses	Netherlands	1,327 Kgs	FCM
05.03.2025	Chrysanthemums	Netherlands	1,485 Kgs	Documentation
05.03.2025	Chrysanthemums	Netherlands	905 Kgs	Documentation
28.04.2025	Roses	Netherlands	795 Kgs	Documentation
29.04.2024	Roses	Netherlands	315 Kgs	Documentation
29.04.2025	Roses	Netherlands	8,758 Kgs	Documentation
30.04.2026	Roses	Netherlands	2,723 Kgs	Documentation
30.04.2026	Roses	Netherlands	1,340 Kgs	Documentation
30.04.2027	Roses	Netherlands	808 Kgs	Documentation

The first four (4) months of 2025 brought significant developments for Uganda's flower export sector, particularly in the areas of compliance and regulatory adaptation. A total of 28,954 kilograms of flowers were intercepted during this period—shedding light on both phytosanitary and documentation challenges that require urgent industry-wide attention.

Summary of Interceptions:

- Total Weight Intercepted: 28,954 kg
- Number of Interception Notifications: 16
- Farms Affected: 9 (3 exporting cuttings, 6 exporting roses)

Key Causes of Interceptions:

1. False Codling Moth (FCM):

- 10,597 kg (37% of total interceptions) were flagged due to FCM presence.
- These interceptions occurred primarily in January and February, before the new EU regulations came into effect.

2. Documentation Issues:

- 14,739 kg of rose flowers (51%) were intercepted after April 26, 2025, coinciding with the enforcement of the new EU regulation on FCM control.
- 3,618 kg of cuttings (12.5%) were also intercepted—all due to documentation errors.

Insights & Implications:

- **Cuttings Farms:** All interceptions in Q1 stemmed exclusively from documentation issues, signaling a pressing need for improved paperwork and compliance training at these facilities.
- **Rose Farms:** Interceptions were due to a combination of FCM presence and documentation lapses, particularly with the new traceability requirements introduced by the EU. These documentation issues are directly linked to the new traceability mandates that came into effect following the submission of the Systems Approach Dossier by MAAIF, which outlines expected traceability systems on farms. The traceability requirement is now a critical compliance element and is central to the approval process under the EU's updated phytosanitary regulations.

Next Steps for UFEA Members:

- **Immediate Review:** Farms should reassess their documentation protocols, with a focus on traceability documentation.
- **Collaboration with MAAIF:** UFEA continues to engage with MAAIF to streamline implementation of the Systems Approach and support farms in remaining compliant.

The rise in interceptions, particularly after April 26th, serves as a wake-up call. While the transition into new regulatory territory presents challenges, it also provides an opportunity to strengthen Uganda's reputation as a reliable and compliant flower exporter.

TRACEABILITY CODE UPDATE FOR FARMS

Ensuring Compliance and Minimizing Interceptions

We are pleased to inform you that the **Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)** successfully submitted the **final list of farm traceability codes** to the **European Union** in mid-May 2025. This marks a significant milestone in our ongoing efforts to strengthen compliance and streamline export procedures.

However, despite this important step, most farms continued to face challenges related to product traceability. The main issue was noted to be inconsistencies **in how traceability codes are recorded on phytosanitary certificates**, which has unfortunately led to shipment interceptions at the destination markets.

We therefore urge all growers to **double-check that the correct and consistent farm traceability codes are recorded on every phytosanitary certificate** prior to dispatch.

Accuracy at this stage is crucial to avoid avoidable losses and to ensure smooth clearance at European entry points.

Please remember that:

- The current traceability system used by farms was part of the **technical dossier submitted to the EU**.
- **Traceability is now a mandatory requirement** under the updated EU regulations on **Plant Health Controls (FCM Control)**.

We appreciate the efforts made by farms to master the system so far, and we encourage continued diligence and coordination with inspection teams to uphold the standards required by our export markets.

Let's work together to maintain a good reputation for Uganda in the international flower markets.

1.3 Voluntary Compliance MPS Standards

MPS SQ Interpretation Update – What Counts Toward the Floor Wage

In March this year, MPS announced updates regarding the floor wage requirement under the MPS SQ standard. These changes raised questions about what can and cannot be included in the calculation of the floor wage. According to the criteria defined in the standard, “the floor wage relates only to the gross wage.” As such, in-kind benefits cannot be counted toward the floor wage.

However, cash allowances that are regularly provided to all workers—granted unconditionally and not tied to attendance or performance—can be included as part of the gross wage.

In May, one farm approached UFEA to explore whether the substantial in-kind benefits they offer—such as breakfast, lunch, medical care, and educational support—could be factored into the floor wage calculation. These benefits, if monetized, would significantly contribute to employee welfare, prompting the request for their consideration.

In response, UFEA reached out to MPS, highlighting the unique context in Uganda, where the provision of food and other welfare services is common practice. UFEA requested that MPS take these local circumstances into account when developing and applying standard requirements.

MPS responded by reaffirming the purpose of the floor wage: to serve as a guaranteed cash minimum designed to protect workers from falling into or remaining in extreme poverty. MPS emphasized its obligation to maintain credibility, fairness, and consistency in certification, which means treating all growers equally without making country-specific exceptions.

Nonetheless, MPS cited a recent case involving another grower who had committed to

closing a floor wage gap within an agreed timeframe. MPS expressed its willingness to work with the Ugandan farm in a similar manner to find a practical solution to address the floor wage issue. If you require more information or support on this matter, please reach out to us.

2.0 Networking for stronger Lobby and Advocacy

2.1 UFEA & Makerere University Join Forces to Grow Uganda's Floriculture Future

In a major stride towards strengthening Uganda's floriculture sector, the Uganda Flower Exporters Association (UFEA) is thrilled to announce a promising partnership with Makerere University's College of Agricultural and Environmental Sciences (CAES). Following a meeting at Xclusive Cuttings on **26th March 2025**, Makerere University submitted a draft Memorandum of Understanding (MoU) to UFEA in mid-May, marking the beginning of a strategic collaboration designed to bridge academia and industry like never before.

What does this mean for UFEA members?

This partnership opens exciting opportunities for growth, innovation, and talent development through:

- **Internships:** Empowering students with hands-on experience on flower farms — building skills and boosting employability.
- **Guest Lectures:** Bringing industry experts into classrooms to share cutting-edge knowledge and real-world insights.
- **Educational Excursions:** Organizing visits to flower farms to expose students to best practices and industry realities.
- **Research Collaboration:** Partnering on studies that directly tackle challenges and innovations vital to Uganda's floriculture success.

This collaboration is more than just an agreement — it's a game-changer that will cultivate new ideas, nurture fresh talent, and drive Uganda's flower industry to new heights.

2.2 Africa Clean Energy Showcases Innovative Cooking Technology at UFEA

Date: 19th May 2025 | Location: Uganda Flowers Exporters Association (UFEA)

UFEA was honored to host a dynamic team from **Africa Clean Energy (ACE)** on 19th May 2025. The visit spotlighted an exciting collaboration opportunity between sustainable energy innovation and Uganda's agricultural sector.

Africa Clean Energy, a B-Corp certified enterprise headquartered in Amsterdam and founded in Lesotho, is at the forefront of clean energy solutions for developing countries. Their mission is rooted in addressing some of Africa's most pressing energy challenges—limited access to modern cooking solutions, the health risks of traditional cooking methods, harmful carbon emissions, and deforestation caused by widespread charcoal and firewood use.

During the visit, the ACE team conducted a live demonstration of their flagship product, the **ACE-1 Cooking Stove**—a solar-powered, smokeless, and highly efficient stove

designed for biomass fuels like compressed briquettes. The built-in fan, powered by a solar panel, ensures complete combustion, reducing smoke and fuel usage while improving health outcomes for users.

Of particular interest to UFEA members was the potential to convert agricultural green waste—such as flower trimmings and other farm byproducts—into biomass fuel for the ACE-1. This innovative approach not only supports sustainable farming but also opens new pathways for cleaner, low-cost energy solutions across the flower export industry and beyond.

The visit sparked promising discussions on how sustainable energy technologies like the ACE-1 can be embraced so as to promote environmental responsibility, reduce costs on fuel, and enhance livelihoods.

UFEA looks forward to exploring future collaborations with Africa Clean Energy and contributing to a greener, healthier Uganda.



3.0 SECURITY ADVISORY WHILE COMING TO UFEA OFFICE.

3.1 Heightened Security Checks at UFEA premises

We wish to inform you of updated **security access protocols** at the **DAS Handling premises, Entebbe International Airport**, following communication from the DAS security team. This update is particularly relevant for our members attending **meetings, workshops, and seminars** hosted at UFEA since we are tenants of DAS Handling.

Key Security Measures to Observe:

As per DAS Handling's security procedures, the following measures are now being strictly enforced to ensure the safety and integrity of the premises:

1. Visitor Identification & Access Passes:

- All visitors must present **valid original government-issued or company identity cards**.
- Upon verification, visitors will be issued **one-day visitor passes** in exchange for their IDs.

2. Restricted Access:

- Only **authorized DAS Handling and airport staff** with valid airport access passes will be allowed entry.
- Both **staff and visitors are required to display their passes visibly at all times** while within the premises.

3. Mandatory Security Screening:

- **All persons, belongings, and vehicles** will be thoroughly searched before entry is granted.

Important Reminder for UFEA Members:

If your company is going to attend a **workshop, seminar, or meeting** at UFEA premises, **please inform all attendees in advance** to carry their **valid ID cards**. Failure to present a valid ID will result in **denied access** at the gate, potentially disrupting participation and event flow.

We urge all members to **cooperate fully** with DAS Handling security personnel to ensure compliance with these protocols and to maintain a safe operating environment for all.

4.0 JNC MEETINGS**4.1 PROGRESS UPDATE**

Two JNC meetings were held in May (9th and 30th May 2025). Four meetings have been held so far.

Progress is very positive on all fronts; with high level of maturity and respect from both sides of the negotiating team.



4.0 Upcoming Events for June 2025

- Sharing and Learning meeting of Compliance Managers/Officers – 5th June 2025
- Meeting with Eurofins and Training sessions on interpretation of Sample analysis and on-line upload of sample documents to DHL portal (for UFEA) – Dates TBC
- CEOs, MD'S, Owners AND GM's get together August 2025 (date TBC)
- Finance Managers meeting -date TBC.

Your Feedback column

<https://forms.gle/QgXyfNdwb9wMLibJ7>

UGANDA FLOWERS EXPORTERS ASSOCIATION

ed@ufea.co.ug/ufea@ufea.co.ug/www.ufea.co.ug

+256 39 3263321,

Twitter: @UFEAUganda, LinkedIn: UFEA