

Uganda's raw sugar output expected to rise this year

Uganda's raw sugar production is expected to rise 10.2% this year, lifted by extra cane supplies as major factories recruit new growers, an industry official told Reuters on Wednesday.

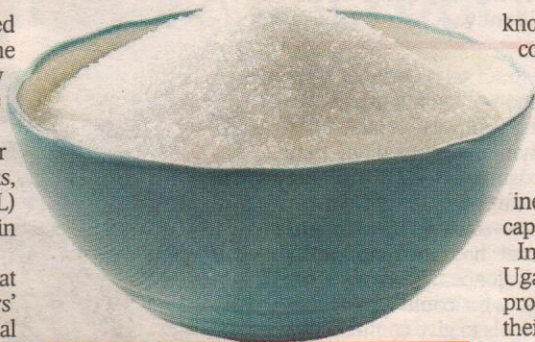
Uganda has a small, but thriving sugar production sector, with Kakira Sugar Works, Sugar Corporation of Uganda Ltd (SCOUL) and Kinyara Sugar Works, the main producers.

Wilberforce Mubiru, the secretariat manager at Uganda Sugar Manufacturers' Association (USMA), said the total production this year would be 475,000 metric tonnes, up from 430,867 tonnes last year.

But, Mubiru also said all the three major processors had idle production capacity because of the insufficient supply of raw cane.

"They are now signing up new outgrowers and also helping them to expand their acreage," he said.

Each of the three big plants owns a large nucleus estate, which accounts



BETWEEN THE LINES

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for the bulk of the cane supply, usually surrounded by communities of farmers contracted to supplement cane supplies,

known as outgrowers. USMA officials have complained in the past that the government was licensing new processors which did not have their own nucleus estate and were not keen on investing in outgrower communities to boost their output.

The officials have said this has led to inefficiency in the industry, with processing capacity lying idle because of lack of supply.

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According to USMA data, Uganda's consumption of raw sugar last year stood at 350,000 tonnes, but the Government has said it is keen to attract investment into the sector to meet the growing demand, which is forecast to hit 700,000 tonnes by 2030.

Although Uganda's raw sugar demand is roughly met by domestic production, the country imports all of its refined sugar supplies as none of the existing plants produces refined sugar.

Reuters