

Exporting fruits is profitable

The global organic food and beverages market is expected to reach Shs1,020 trillion by 2022. You can be part of those that will earn from the market by starting a fruit export business, writes Dorothy Nakaweesi.

Did you know that if you start exporting fruits and vegetables, you can actually build a self-sustaining business?

Many Ugandans have ventured into this area and understand what we are talking about here.

The advantage is that Uganda is endowed with a diversity of fruits and vegetables which are grown countrywide.

These include avocado, butter fruit, passion fruit, water melon, pineapples and mangoes, among others.

This provides you with an opportunity export organically grown products, whose demand is high internationally.

The global organic food and beverages market is expected to reach \$327.6b (Shs1,020 trillion) by 2022, according to a report compiled by Allied Market Research.

The growth of the organic market overall, according to the report, is attributed to rising income levels, improvement of organic farming techniques, and increased awareness regarding the health advantages of organic foods.

In other words, the availability of all these fruit varieties and vegetables should be reason enough for you to think about investing in the export market.

According to Newton Buteraba, the chief executive officer of House of Wealth, a local firm that offers business advisory services: "Before you start make sure that you have a contractual obligation with reliable suppliers."

This, he says, will help you specialise in the supply and exportation of particular fruits and vegetables that you are most comfortable with.

Just like any other business, for one to start exporting, according to Buteraba,

SHS10M

IT IS POSSIBLE TO START A FRUIT AND VEGETABLE EXPORT BUSINESS WITH SHS10M



IMPORTANT TIPS

When you start an export business, some of the incentives you can benefit from include improving your cash flow through the claim of refund of money spent on packing materials such as boxes and gunny bags.

The exporter can also claim back money paid as VAT during the production process of the exported goods.

Mark you all exports do not pay taxes except: unprocessed hides and skin, fish, and unprocessed tobacco.

However, if you wish to re-export the goods to another country you should note that income earned from the re-exported goods is taxable and should be declared during filing of your returns.

factors remain constant. According to experts, the biggest percentage of investment goes into freight costs, depending on the volumes.

However, the business is no without challenges as there are a number of requirements that might be hard to fulfil for an ordinary business person.

These challenges can be categorised into production, post-harvest, pack house and market challenges.

Uganda as a market continues to experience inconsistency in production and lack of trained agronomists, which has had an after effect on the quality of many produces.

Beyond that many farmers have no cooling facilities yet fruits and vegetables have to be kept fresh.

The other challenges are lack of proper transport facilities, poor tools and farm equipment.

However, the biggest challenges are related to market requirements that lock out many varieties of fruits and vegetables from Uganda.

The requirements include a total elimination of harmful organisms or pests, proper post-harvest handling and properly defined inspection procedures.

Beyond this is the expense that comes with the business.

According to experts, all products that are processed or manufactured for export must be well packaged and labeled 'for export'.

To get to such a level it means one must have registered as a tax payer.

However, in all this, it doesn't harm to consult with Uganda Export Promotions Board to get clarification where you need.

For instance, the requirements for eco-labeling differ from one market to another. Other inquiries include finding buyers, opening a trading account and pricing, among others.

The exporter is required to appoint a customs agent to transact on their behalf as well as obtain an export license from the Uganda Export Promotions Board.

The exporter must also secure the services of a licensed transporter (where applicable).



Whereas there are challenges in the business of exporting fruits and vegetables, it is a profitable venture with good returns. FILE PHOTOS

you need to put your business in order by registering with the relevant authorities such as the Ministry of Agriculture and Uganda Export Promotion Board, among others.

The beauty of this business, you can start small and capital of about Shs10m will take you far.

The money will certainly be used to buy stock (fruits and vegetables) of about five tonnes, logistics, and packaging and clearing export documentations.

According to John Lwera, the export promotions officer at Uganda Export Promotion Board, Shs10m, if well utilised, can fetch you returns of more or about 30 per cent, which translates to about Shs3m.

Which means that Shs10m has the potential to return an annual turnover in the excess of Shs36m if other