

Rwanda's Agriculture sector recorded a substantial increase in total export revenues that jumped from \$444,862,192 in the 2020/21FY to \$640,952,297 representing an increase of 44.08 per cent. Agro-export revenues have been on the upward trend two years in a row with a long jump happening this fiscal year from six (6) per cent last year.

The latest Agro-exports report indicates that the total export revenues registered growth of 45.07 per cent in June this year.

"During June 2022, total export revenues were \$66,866,753 compared to \$46,094,144 in 2021 the same period, representing an increase of 45.07 %," says a report released by the National Agricultural Export Development Board (NAEB) on September 12, 2022.

NAEB attributes the sector's excellent performance to mostly economic recovery measures and movement of goods and people in 2021-2022.

Restrictions on the movement of people and goods were one of the measures imposed in the previous year by pretty much all nations to prevent the further spread of COVID-19. And, the travel bans affected many sectors of the economy including Agriculture, the reason why it recorded a slight increase of six per cent.

NAEB officials, also, blamed last year's poor performance of the sector on price fluctuations and climate change on which traditional export commodities such as tea and coffee largely depend.

"Imposed lockdowns around the world dictated many closures of tea and coffee consumer companies - this made coffee export volumes reduce by 14.41 in 2020-2021 fiscal year," said Joshua Rugema, Ag Chairman of the board of directors at NAEB while explaining causes of an average performance of the sub-sector.



“(…) traditional export commodities – tea, coffee and pyrethrum did not perform as expected due to international price fluctuations and climate change that affected production,” added Rugema.

Factors behind the good performance

NAEB officials told this reporter during a visit to the Board’s Head Offices that winter season overseas, nature of clients and increase in Agricultural commodities were other factors responsible for such an amazing performance.

“This increase in term of revenues is justified by economic recovery measures and movement of goods and people in 2021-2022 compared to 2020-2021, where cross borders movements were affected by coronavirus pandemic emerged in the country in mid-March 2020 with related consequences” states the report in part.

NAEB, also, attributes the increase which is more than seven times higher than that of last year to movement of people and goods following a lift of travel bans by most

countries.

Non-traditional export commodities, in the lead, fetched \$455,509,464 in the fiscal year 2021/2022 translating to an increase of 58 per cent whereas traditional export commodities increased by 18 per cent. Cereals and grains' export revenues increased by 44%, accounting for 20.8% of total agro-export revenues.

“In comparison to the fiscal year 2020/2021, horticulture commodities accounted for 6.7% of total agro-export revenues with an increase of vegetable and fruit export values of 63% and 87%, respectively”.

NAEB blamed the ongoing Russia and Ukraine crisis for the poor performance of flowers that recorded a decline in both quantities and revenues – “flower export quantities and revenues have decreased (5% and 13%, respectively) as a result of the ongoing political crisis between Russia and Ukraine, both of which are major importers of flowers”.

Of the three traditional export commodities coffee topped with an increment of 23 per cent.

“Coffee export revenues increased by 23% while tea export revenues increased by 15% and pyrethrum export revenues increased by 12%,” adds a statement from NAEB.

“For the mentioned period, traditional export commodities increased by 18 per cent while non-traditional export commodities increased by 58.35%,” said the report.

The report further revealed that both export and re-export increments are related to the current economic recovery where most economic activities resumed with more movement of people and goods in the region and abroad.

“Transport of people to Europe and other destinations became regular, which is allowing to trade with Europe and the rest of the world. Tea, Coffee, unit prices also are showing positive trends thus influencing the realized good export performance compared to the same period of 2020-2021”.

Export volumes on the rise

Apart from the good prices at the international market increased quantities of nearly all the agricultural export commodities. Both traditional export and

nontraditional export commodities shot up.

Though the high quality of Rwanda's exports outweighs other factors in attracting competitive prices, the swelling of amounts of each export item supplied on the international market is a constant determinant of the revenues any country can fetch from exports.

More amounts of vegetables and fruits were exported in 2021-22 than in the previous fiscal year.

Rwanda exported 25,221,596Kg of vegetables and 16,207,439Kgs of fruits earning \$21,383,939 and \$14,623,733 recording a significant increase of 87.5 per cent and 63.3 per cent.

Coffee registered a bigger increment than tea though the country exported more volumes of the latter at 22.87 per cent compared with 15 per cent respectively.

The report indicates that 35,404,742Kgs of tea up from 34,394,268Kgs were exported and gained \$103,499,994 against 15,184,566Kgs of coffee from 16,880,926 that brought \$75,571,428 into the country.

The average price for coffee is \$4.98 compared with \$2.92 of tea. Last fiscal year Rwanda exported 16,880,926Kgs of coffee and hence it recorded a slight fall in the amount of coffee exported in 2021-2022.

Concerning flowers exports, the country exported 1,130,243Kgs and generated \$6,854,822.

Coffee price rise excites players in sub-sector

Happy times for key players in the coffee sector including exporters and ordinary coffee farmers that started three years ago have stretched into 2022 despite a temporary slight price setback. The price has now shot up after a short-lived price fall between June and July.

Statistics obtained from NAEB indicate that Rwanda exported 299.56 tonnes of coffee worth US\$2,000,650 within just one week during August. The price of Rwandan coffee on the international market jumped to a record high of US\$6.6 per kilogramme (approx. Rwf.6,600) representing 34.7 per cent increase.

This implies that at least 400,000 Rwandan coffee farmers have valid reasons to celebrate and invest more efforts in the upcoming local growing season that starts around September. This follows the good news that coffee prices for the Rwandan coffee is likely to maintain a record high of US\$6.6 at the international market

Generally, the coffee sector at both the domestic and foreign market has maintained a steadfast growth three years in a row as a result of a substantial rise in coffee prices at the international market.

Before the unprecedented coffee price rise for Rwandan coffee, one kilogramme cost \$4.9 (approx. Rwf.5,000) up from \$3.1 (approx. Rwf3,000) before 2019 translating to 36.7 per cent increase.

Oreste Baragahorana, Vice Chairman for Coffee Exporters and Processors Association of Rwanda (CEPAR) told local media late August this year that despite of a slight fall in coffee price in July, the price had started picking up – reviving hopes among farmers for attractive revenues at the end of the season.

Rwanda's coffee season starts off in September up to March when harvesting starts. CEPAR is non-political and non-profit membership umbrella organization of coffee farmers in Rwanda.

Baragahorana confirmed that since the beginning of 2022 coffee prices have been on the upward trend.

“The sector started recording a rise in prices at the beginning of this year into June,” Baragahorana disclosed.

The impressive performance of the sector has impacted on the Gross Domestic Product (GDP) of the East African nation.

Notably, much as the coffee export revenues trends are impressive, they are still far below the national target of \$95 million by 2024.

Commenting on the annual performance, NAEB's CEO, Claude BIZIMANA said: “We are pleased that, in addition to other opportunities, the agro-export sector contributes significantly to job retention and creation. We will build on this year's strong performance by looking for new and innovative ways to keep Rwanda's agribusiness environment adaptable and competitive while drawing in the interest of international markets.”



Gov't invests in Agriculture to fast track recovery

Rwanda's economy is struggling to recover from shocks hugely blamed on the COVID-19 pandemic that left many economies globally on their knees. With many now struggling to pursue economic recovery measures and strategies, and notably Rwanda is already on the right track to recovery with a tinge hope for a breakthrough.

It's against this backdrop that Rwanda massively invested in recovery strategies and undertook measures, especially by financially supporting key sectors of her economy including Agriculture.

The government of Rwanda gave substantial financial support through NAEB to help the sector stand on its feet again. Over 70 per cent of the Rwandan population directly or indirectly depends on Agriculture for a living.

Local farmers told Rwanda Dispatch that cooperative farming has variously changed

their livelihoods, and the government is supportive.

“Even before harvest season and bad seasons, they access money for school fees, health insurance and for meeting other essentials of life,” said Jean Paul Mutimura, the President of Bahuzamugambi ba Kawa ba Maraba Cooperative.

“The SACCO, also, gives them loans to buy more land to expand their coffee farms and meet other day-to-day demands,” observed Mutimura.

For Simon Mutangana, President of UNICOOPAGI in Nyamagabe District observes that they have been able to support members improve production through multiplication of improved seeds of wheat variety generating high and preferred production, availing post-harvest equipment, helping farmers access markets while encouraging them to increase the quality wheat and commercialize activities.”

The unexpected rise in agricultural export revenues is a valid reason for the Rwandan farmers and government at large to celebrate. It is a source of more optimism for a better price and a hope which is a catalyst to farmers at the onset of the farming season.

Notably, the high quality specialty coffee has made Rwanda gain more leverage on the international market.

Now, experts say the sector’s performance will improve leading to a substantial increase in the economic growth rate – a prediction based on its current glaring performance.

This is one of the indicators that Rwanda’s massive efforts in effecting economic recovery have started paying off.