€2.75B in East African Agri-Exports at Risk as Only 15% Meet Traceability Requirements

Experts emphasized that the real threat to East Africa's market access is delayed action to close the traceability and due-diligence gaps

Coffee Farmers adopting technology

ZURICH, SWITZERLAND, December 11, 2025 /EINPresswire.com/ -- €2.75 billion in export earnings is now at risk for East Africa as global markets tighten enforcement of traceability and due diligence rules. The region's agricultural exporters are being pushed to prove exactly where and how their commodities are produced, at a moment when only 15% of agribusinesses are aware of the new requirements, according to the 2024 Danish Industry Report. With most producers still operating without digital traceability systems, the threat of losing access to high-value markets is becoming increasingly real. Agriculture remains the backbone of East Africa's economy, contributing 32% of GDP and employing more than 80% of its population, yet coffee, cocoa, tea, cereals, horticulture, oil crops, rubber, and timber exports now face unprecedented scrutiny from the EU, one of the region's most influential buyers across Uganda, Kenya, Tanzania, Ethiopia, Rwanda, and Burundi.

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The urgency has intensified as the EU enforces the EU Deforestation Regulation (EUDR) and the Corporate Sustainability Due Diligence Directive (CSDDD), both of which require verifiable legal origin, deforestation-free proof, and end-to-end supply-chain transparency. These regulations span multiple sectors, applying not only to high-risk commodities but to nearly all agriculture-linked exports destined for European companies. While these standards aim to accelerate global sustainability, they have exposed a widening readiness gap in East Africa. The report shows that 65% of companies need clearer guidance, 57% require practical compliance frameworks, and 52% lack access to the digital tools necessary to meet these new expectations (Danish Industry Report, 2024). The implications are already visible: The Guardian (2024) reported that uncertainty surrounding compliance has led some EU buyers to scale back or slow down purchases from East African suppliers, particularly where smallholder-dominated chains complicate traceability verification.

Across the region, the debate over compliance has expanded into a broader discussion of digital traceability. Many businesses still view traceability as costly, even though the greater risk lies in losing access to premium markets that now require verified legality and deforestation-free sourcing. Adoption, however, remains slow, hindered by low digital literacy, limited smartphone access, weak connectivity, fragmented systems, and concerns over data privacy.
Speaking in the Beyond Traceability Talks webinar, hosted by KOLTIVA, a Swiss AgriTech Company, Susan Atyang, Regional Program Manager at the Agricultural Business Initiative (aBi), emphasised that the business case is clear: "Traceability enables competitiveness, market access, and financial inclusion." To ensure that digital investments deliver impact, aBi evaluates organisational readiness, such as audited accounts, clear ROI, co-investment capacity, farmer reach, and compliance systems, before supporting implementation. These criteria reflect a broader industry reality: traceability is no longer a technical add-on, but the minimum requirement for staying relevant in Europe's tightening agricultural markets.

Misconceptions also persist around the complexity of digital tools for smallholders. Waithera Muriithi, Strategy & Innovation Lead at Café Africa Uganda directly challenged this assumption. "You cannot achieve traceability without farmer empowerment. The real challenge is not ability, it is awareness. When farmers understand the benefits, adoption accelerates." Café Africa leads national coordination efforts, including EUDR task forces and the development of a national data warehouse to help streamline country-wide compliance.

Despite these advances, East Africa still faces major hurdles in meeting emerging global traceability standards. More than 75% of agriculture in Ethiopia, Kenya, Tanzania, and Uganda depends on smallholder, many of whom lack formal land documentation required for geolocation verification. Highly fragmented supply chains, with multiple intermediaries making it harder to maintain consistent data from the farm to the exporter. Connectivity gaps further complicate the picture, with the region's internet penetration at 28.5%, far below the global average of 67.9% (Statista, 2025). And with 80% of smallholders living below the poverty line (Regeneration & Co, 2025), imposing the full cost of compliance on producers is neither realistic nor ethical.

Another major constraint is the uneven distribution of compliance costs across fragmented supply chains. According to Fanny Butler, Senior Head of Markets EMEA at Koltiva, "There is no sustainability without traceability — and the demand will only keep increasing. Early movers will gain the advantage." She emphasized that shared-cost arrangements among buyers, suppliers, and development partners are becoming the only realistic way to scale compliance in rural, smallholder-dominated regions.Fanny added that the most sustainable approach is shared responsibility: buyers subsidize onboarding, suppliers maintain data quality, and development partners co-finance mapping. This collaborative model, she noted, reflects what leading exporters have already discovered: that joint investment is not only fair but essential to achieving compliance across complex agricultural landscapes.

Adding a global market perspective, Manfred Borer, CEO & Co-Founder of Koltiva, reinforced the need for coordinated action. “East Africa has the resources, the productive ecosystems, and the global demand. What it needs now is synchronized readiness. Traceability is no longer a niche initiative. It is the price of participating in the world’s most valuable markets.” His comment reflects a broader industry shift as companies move from seeing traceability as a cost center to recognizing it as a strategic asset.

Experts agree that the path forward requires three simultaneous efforts: raising regulatory awareness across every supply-chain tier, conducting source-level assessments to verify geolocation and deforestation risk, and deploying digital tools built for rural field conditions. These steps are not optional; they are the baseline for maintaining access to premium markets.

East Africa is projected to contribute 19% of additional global agricultural production over the next decade (OECD–FAO, 2025), a forecast that strengthens the region’s long-term potential. But unlocking this opportunity hinges on how quickly exporters, processors, cooperatives, and governments narrow the compliance gap. With global markets tightening their sustainability requirements, East Africa is at a crossroads—one route leads to accelerated competitiveness, the other to shrinking market access. The choice, increasingly, depends on how swiftly the region embraces digital traceability and coordinated preparation.

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