Uganda Coffee Development Authority

MINISTRY OF AGRICULTURE, ANIMAL INDUSTRIES AND FISHERIES

UCDA MONTHLY REPORT FOR OCTOBER 2014

Highlights:

- *This is the first monthly report for the coffee year 2014/15. 229,438 60-kilo bags of coffee worth US $30.67 million were exported in October 2014 at an average weighted price of US $ 2.23 /kilo.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 2,350/= per kilo; FAQ Shs.4,550 per kilo and Arabica parchment Shs.7,400 per kilo.*
- *Coffee exports for 12 months (November 2013 to October 2014) totalled 3.52m bags worth $402 million comprising of Robusta 2.75 million bags and Arabica 0.77 million bags.*
- *In the month of October a total of 12.9 million Seedlings were planted, benefiting 64,668 households.*
- *About 75% of the total export volume was exported by 10 exporters, out of 29 exporters that performed in the month down from 80% in the previous month.*
- *The ICO monthly average composite indicator price was US cents/lb 172.88 up from US cents 161.79 in September 2014.*

Coffee exports in October 2014 amounted to 229,438-kilo bags worth US $ 30.67 million. This comprised 172,178 bags ($ 19.51 million) of Robusta and Arabica, 57,260 bags ($ 11.16 million)- *see Table 1.*

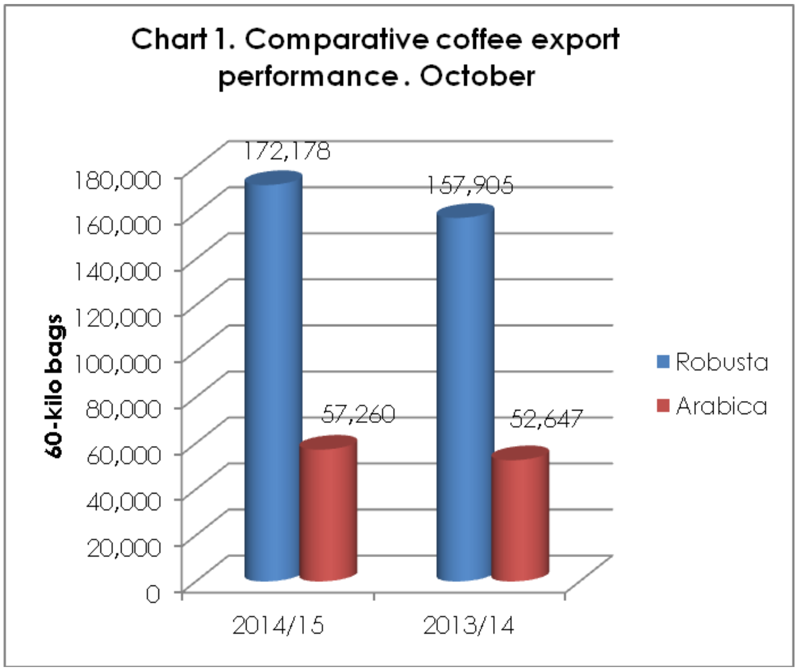
Table1: Comparative Coffee Export Performance – 60-kilo bags; US$

Coffee Year	**2014/15**		**2013/14**		**%-age Change**	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**229,438**	**30,669,004**	**210,552**	**22,738,119**	**8.97**	**34.00**
October	**229,438**	**30,669,004**	**210,552**	**22,738,119**	8.97	34.88
• Robusta	172,178	19,513,494	157,905	16,652,354	9.04	17.18
• Arabica	57,260	11,155,511	52,647	6,085,765	8.76	83.30

Robusta increased by 9.04% and 17.18% in terms of volume and value respectively, and Arabica increased by 8.76% and 83.30% in terms of volume and value respectively compared to the same period last year 2013/14.

On a year to year basis, coffee exports for the period (November 2013-October 2014) totalled 3.52 million bags worth $402 million compared to 3.62 million bags worth US$432 million in the same period last year (November 2012 – October 2013).

Chart 1 gives comparative performance by coffee type in the 2 coffee years.



1.0 EXPORTS BY TYPE AND GRADE

Table 2 shows coffee exports by type, grade and average realised price for each coffee grade during the month of October 2014. The weighted average export price was US $ 2.23. Robusta exports accounted for 75% of total exports. The average Robusta price was US$ 1.89 per kilo, US$ 0.4 higher than in September 2014. Organic Robusta fetched the highest price for Robusta at US$ 2.09 per kilo, followed by Screen 18 at US$ 2.03 per kilo. Arabica fetched a weighted average price of US$ 3.25 per kilo, US$ 0.1 lower than the previous month. The highest price was for Organic Bugisu which was at US$ 3.92 per kilo followed by Bugisu AB at US$ 3.67 per kilo.

Table 2: Coffee Exports by Type, Grade & Unit Price in October 2014

– *in 60-kilo bags; US $, US $/kg* –

Coffee type/ Grade	Quantity 60-Kilo Bags	%-age Quantity	Value in US $	%-age Value	Unit Price $/Kilo
TOTAL	**229,438**		**30,669,004**		**2.23**
ROBUSTA	**172,178**	**100.00**	**19,513,494**	**100.00**	**1.89**
-WASHED ROBUSTA	960	0.56	109,207	0.56	1.90
- ORGANIC ROBUSTA	710	0.41	89,220	0.46	2.09
SCREEN 18	20,221	11.74	2,457,883	12.60	2.03
SCREEN 17	14,916	8.66	1,805,020	9.25	2.02
SCREEN 15	70,382	40.88	8,321,105	42.64	1.97

SREEN 14	334	0.19	30,926	0.16	1.54
SCREEN 12	31,204	18.12	3,654,701	18.73	1.95
BHP 1199	16,621	9.65	1,599,865	8.20	1.60
OTHER ROBUSTA	16,621	9.65	1,599,865	8.20	1.60
ARABICA	**57,260**	**100.00**	**11,155,511**	**100.00**	**3.25**
-MT ELGON A+	690	1.21	149,631	1.34	3.61
-ORGANIC BUGISU	1,360	2.38	320,214	2.87	3.92
-BUGISU A+	1,760	3.07	377,992	3.39	3.58
BUGISUAA	5,104	8.91	1,075,334	9.64	3.51
BUGISU AB	3,870	6.76	851,138	7.63	3.67
WUGAR	3,410	5.96	494,044	4.43	2.41
DRUGAR	38,926	67.98	7,692,581	68.96	3.29
OTHERS	2,140	3.74	194,578	1.74	1.52

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of October 2014 in terms of quantity and market share. Olam (U) Ltd held the highest market share of 13.26% (4.19%), followed by Ugacof (U) Ltd- 10.96% (25.27%); Export Trading Company Ltd 7.55% (9.61%); Kyagalanyi Coffee Ltd- 7.43% (8.94%) and Armajaro (U) Ltd 6.79% (0.62%). The first 10 exporters held a market share of 75.31% lower than 79.71% in the previous month. *The figures in brackets represent percentage market share held in September 2014.*

Table 3: Export Performance by Individual Companies in October 2014

	Exporting Company	position held in September	Quantity Bags	%- age Market Share Individual	%- age Market Share Cumulative
	Grand Total		**229,438**	**100.00**	
1	Olam (U) Ltd	8	30,433	13.26	13.26
2	Ugacof (U) Ltd	1	25,142	10.96	24.22
3	Export Trading Company Ltd	2	17,330	7.55	31.78
4	Kyagalanyi Coffee Ltd	3	17,042	7.43	39.20
5	Armajaro (U) ltd	21	15,574	6.79	45.99
6	LD Commodities	7	15,206	6.63	52.62
7	Kawacom (U) Ltd	13	14,996	6.54	59.15
8	Ideal Commodities(U) Ltd	5	14,370	6.26	65.42
9	Great Lakes Coffee Ltd	6	13,270	5.78	71.20
10	Job Coffee Ltd	10	9,418	4.10	75.31
11	Ibero (U) Ltd	9	9,410	4.10	79.41
12	Kampala Domestic Stores	28	8,100	3.53	82.94
13	Besmark Coffee Co. Ltd	4	7,409	3.23	86.17
14	Savannah Commodities Ltd	16	5,256	2.29	88.46
15	Ishaka Quality Commodities	12	3,954	1.72	90.18
16	Kamba Petroleum Ltd	15	3,698	1.61	91.79
17	Commodity Solutions Ltd	11	3,660	1.60	93.39
18	Risala (U) Ltd	23	3,100	1.35	94.74
19	Mbale Importers & Exporters	14	2,964	1.29	96.03
20	Ankole Coffee Producers	18	2,934	1.28	97.31
21	Kaweri Coffee Plantation	22	1,280	0.56	97.87
22	Sena Indo (U) Ltd	-	1,200	0.52	98.39
23	Wabulungu Multi purpose	17	1,028	0.45	98.84

24	Bakwanye Trading Co Ltd	-	700	0.31	99.14
25	Ankole Coffee Processors		640	0.28	99.42
25	Coffee World	-	350	0.15	99.58
27	Nakana Coffee Factory	27	334	0.15	99.72
28	Bukonzo Joint Coop Union	25	320	0.14	99.86
29	Nitubasa	-	320	0.14	100.00

3.0 LOCAL SITUATION

During the months, farm gate prices were in the range of : Shs. 2,200 – 2,500 per kilo of Kiboko (Robusta dry cherries); Shs. 4,200 – 4,700/= for FAQ; Arabica parchment was sold between shs.7,000/=-7,800/= per kilo . Drugar from Kasese was in the range of 6,800/=-7,000/= per Kilo. The increase in the price was in line with the increase in global prices.

4.0 GLOBAL SITUATION

Global coffee exports for the coffee year 2013/14 amounted to 111.3 million bags, a 1.5% decrease from the previous year 2012/13 which was 113 million bags. The decrease was attributed to lower exports by almost all countries in central America for the second consecutive year due to severe damage from coffee leaf rust.

The world total production for coffee year 2013/14 is still estimated at 145.2 million bags.

Global consumption is estimated at 145.8 million bags in calendar year 2013, an increase of 2.1%. from the previous year.

The ICO monthly average composite indicator price increased to US cents/lb 172.88 up from US cents161.79 in September, and US cents 163.08 in August 2014. This was the highest price realized in more than two and a half years. This price increase was driven by dry weather experienced in Brazil at the beginning of the month.

COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of October 2014. Exports to EU countries totalled 173,692 bags accounting for 75.707% of total exports compared to 153,271 bags (73.72%) exported in September 2014. It was followed by Sudan with 18,900 bags (8.24%) compared to 17,750 bags (8.54%) and USA with 11,952 bags (5.21%) compared to 11.450 (5.51%) exported in September 2014. *The figures in brackets represent percentage performance in the previous month – September 2014*

Table 4: Main Destinations of Uganda Coffee in October 2014

	Destination	Position held In September	QTY 60-Kilo Bags	%- Age Market Share Individual	Cumulative
	GRAND TOTAL		**229,438**	**100.00**	
1	EU[1]	1	173,692	75.70	75.70
2	Sudan	2	18,900	8.24	83.94
3	USA	3	11,952	5.21	89.15
4	India	4	4,940	2.15	91.30
5	Switzerland	6	4,440	1.94	93.24
6	Russia	5	3,530	1.54	94.78
7	South Africa	8	2,860	1.25	96.02
8	Singapore	10	2,134	0.93	96.95
9	Israel	14	1,920	0.84	97.79
10	Morocco	7	1,600	0.70	98.49
11	Japan	-	1,200	0.52	99.01
12	China	13	980	0.43	99.44
13	Canada	12	640	0.28	99.72
14	Korea	9	350	0.15	99.87
15	Taiwan	18	300	0.13	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in October 2014. The top 10 *buyers held a market share of 70.87% of the total exports higher than 66.28% in September, 2014. Olam International – 18.18% (7.81%), Sucafina – 9.85% (23.43%),Ecom Agro Industrial –8.00% (2.46%), Louis Dreyfus 6.85% (3.99%), Socadec 6.72% (8.07%), Altasheel 6.56% (2.86%), Bernhard Rothfos 4.10% (4.08%) Falcon Commodities. 3.91% (2.77%), Strauss Commodities 3.56%,(2.56%) Bercher 3.15% (5.77%) Note: The figures in brackets represent percentage performance in the previous month – September 2014.*

TABLE 5: Buyers of Uganda Coffee in October 2014: 60-kilo bags

	BUYERS	Position held in September	QTY 60-Kilo Bags	%-Age Market Share Individual	Cumulative
	GRAND TOTAL		**229,438**	**100.00**	
1	Olam International	3	41,709	18.18	18.18
2	Sucafina	1	22,610	9.85	28.03
3	Ecom Agro Industrial	14	18,360	8.00	36.04
4	Louis Dreyfus	6	15,716	6.85	42.89
5	Socadec	2	15,414	6.72	49.60
6	Altasheel	10	15,050	6.56	56.16
7	Bernhard Rothfos	5	9,410	4.10	60.26

1 [1]EU countries are: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, The Netherlands, and UK.

8	Falcon Commodities	11	8,960	3.91	64.17
9	Strauss Commodities	12	8,160	3.56	67.73
10	Bercher	4	7,218	3.15	70.87
11	Icona Café	13	6,272	2.73	73.61
12	Coex Coffee	9	6,050	2.64	76.24
13	Gollucke	19	5,600	2.44	78.68
14	Koninklij	7	3,600	1.57	80.25
15	Vayhan Coffee	15	3,200	1.39	81.65
16	Abu Asma	-	3,100	1.35	83.00
17	Lavazza	-	2,672	1.16	84.16
18	Coffy Handels	-	2,450	1.07	85.23
19	Norddeuts	-	2,400	1.05	86.28
20	Orimi	20	1,920	0.84	87.11
21	Volcafe	16	1,920	0.84	87.11
22.	Wertform	-	1,654	0.72	88.67
23	Geneva S	-	1,520	0.66	89.33
24	Aldwami	-	1,400	0.61	89.94
25	Elimathahib	-	1,400	0.61	90.55
26	Others		21,673	9.45	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

6.1 Weather.

Central Region

- Average to normal rains were received during the month. This has favored the coffee replanting program. Flowering of coffee has also been noted while fruit formation is good. Ripening & harvesting has started in some parts of Luweero and Mukono.

Western Region

- Kyenjojo and Ruwenzori sub regions received normal rainfall distributed evenly in the districts that have enabled planting of coffee. Kasese district received above normal rainfall and floods were experienced in the lowland areas of Karusandara Sub County but no coffee was destroyed. Mityana and Hoima sub regions experienced heavy rains evenly distributed throughout the districts, supportive of coffee planting.

Northern Region

- West Nile - received heavy down powers evenly distributed throughout the sub region. This was supportive to coffee planting and general field performance but appalling to effective drying of parchment and other post- harvest handling practices.

- Mid North received above average normal rainfall which was fairly distributed in both time and space. This impacted positively on the general performance of young plants. The goo weather has resulted in coffee ripening in Lango sub region simultaneously with initiation of coffee flowering.

Eastern Region

- The month was generally wet. Coffee ripening has been delayed in Busoga sub region as berries are still mostly green. The wet weather has also hampered drying. In Mount Elgon region, the month was characterized by heavy rains all through leading to a lot of run-offs on many coffee farms, vigorous weed growth and creating micro-climates for Coffee Berry Disease (CBD).

South Western Region:

- The rains sub-sided in the Ntungamo and Kiruhura zones at the beginning of the month but started again in the second week and maintained its tempo till end of the reporting month for the whole region. This ensured continuity in the planting efforts across the entire region.

6.2. <u>Generation of Coffee Planting Material</u>

- Technical guidance continued on maintenance of CWD-R mother gardens. Nursery materials procured for support to mother gardens at the stage of harvesting.
- 2.8 MT of seed was distributed to Nursery operators

6.3 <u>Coffee Planting</u>

- A total of 12.9 million Seedlings were planted in the month of October by farmers/farmer groups under veterans, benefiting a total of 64,668 households.

6.4. <u>Management of Diseases and Pests.</u>

- Emphasis was given to Management of the Black Coffee Twig Borer;
    - Chemicals for Method Demos were delivered to all Districts in the Intervention areas, and spraying will start at the end of the harvest season
    - Continued sensitization of farmers and stakeholders through Radio starting in November.
    - Sensitization of farmers at various coffee gatherings
- The out-break of Mealy bugs reported in Kasese District is now being controlled.
- There is a reported outbreak of Coffee Berry Disease in Sebei sub region. Affected farmers were reported in isolated farms in Binyiny, Kaptoyoy, Kapchesombe and Kaptanya sub counties. Intervention measures are already in place (pick and burry affected berries, reduce canopy shade, remove any extra suckers and check the overgrowth of weeds).

6.5. Technical Extension Services and Quality Improvement.

- The coffee buying season has started and Registration of stores and processing factories under way in conformity with the coffee regulations
- Sensitization of coffee processors, coffee buyers and farmers was carried out especially in areas where the practice of immature coffee harvesting is widespread.

6.6. Coffee Production Campaign activities,

- In collaboration with the Platform Districts, 6 Coffee Shows were conducted in Gulu, Nebbi, Kamuli, Sironko, Luweero, Hoima, attracting over 500 participants in each district.
- In the shows the best farmers were awarded prizes. Best Agronomic practices were demonstrated to the farmers.
- Local leaders present appreciated the efforts of UCDA in supporting them with coffee seedlings, but also demanded for more seedlings.
- In general coffee shows have continued to create awareness among different stakeholders about the economic importance of coffee farming if good agronomic practices are adhered to.

UMA International Trade fair

UCDA participated in the 22^{nd} trade fair that took place at Lugogo show ground from 2^{nd} ^{to} 10^{th} October 2014 under the theme "Building Business partnerships for sustainable markets and competitiveness." A number of coffee roasters show cased different brands at the UCDA stall and as a means of promoting coffee consumption , show goers were taught good brewing practices and free coffee was served to them. Using the demo plot, proper coffee management at the farm and at post harvest level was demonstrated.

World food day

UCDA participated in the World food day celebrations that took place on 16^{th} October 2014 in Namulonge, Wakiso district under the theme "Feeding the world, caring the earth." The guest of honour was the Vice president of Uganda H.E Edward Sekandi. UCDA demonstrated the entire coffee value chain.

7.0 OUTLOOK FOR NOVEMBER 2014

November exports are projected at 260,000 bags. Harvesting is on going in Central and Eastern regions.

17th – 21st November 2014: 54th Annual General Assembly of Inter African Coffee Organization and 2nd African Coffee Symposium – Kampala, Uganda.

The 54th Annual General Assembly of IACO and the 2nd African Coffee Symposium will take place in Kampala, Uganda. There will also be an Extraordinary Session of IACO Ministers responsible for Coffee. All these activities are focused on stressing the recommitment to address the issues affecting the Coffee sector in Africa.

www.iaco-oiac.org

12th -15th February 2014: 12th African Fine Coffee Conference and Exhibition.

The 12th African Fine coffee conference and Exhibition will be held at Safari Park Hotel and Casino, Nairobi, Kenya. The theme of the conference and Exhibition is: "Productivity –the key to sustainable Resurgence of the African Coffee Industry. www.africafinestcoffee.org