UCDA MONTHLY REPORT FOR OCTOBER 2015

***Highlights**:*

- *This is the first monthly report for the coffee year 2015/16. 223,858 60-kilo bags of coffee worth US $22.93 million were exported in October 2015 at an average weighted price of US $ 1.71 /kilo.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 2,350/= per kilo; FAQ Shs.4,500 per kilo and Arabica parchment Shs 5,600 per kilo.*
- *Coffee exports for 12 months (November 2014 to October 2015) totalled 3.45m bags worth $403 million comprising of Robusta 2.70 million bags and Arabica 0.75 million bags.*
- *In the month of October, a total of 34.59 million seedlings were planted.*
- *About 81% of the total export volume was exported by 10 exporters, out of 28 exporters that performed during the month.*
- *The ICO monthly average composite indicator price was US cents/lb 118.43 up from US cents 113.14 in September 2015.*

Coffee exports in October 2015 amounted to 223,858-kilo bags worth US $ 22.93 million. This comprised 148,938 bags ($ 14.37 million) of Robusta and Arabica, 74,920 bags ($ 8.57 million)- *see Table 1.*

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

Coffee Year	**2015/16**		**2014/15**		**%-age Change**	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**223,858**	**22,933,326**	**229,442**	**30,657,591**	**-2.43**	**-25.20**
October	**223,858**	**22,933,326**	**229,442**	**30,657,591**	**-2.43**	**-25.20**
• Robusta	148,938	14,366,648	172,502	19,421,213	-13.66	-26.03
• Arabica	74,920	8,566,678	56,940	11,236,378	31.58	-23.76

Robusta decreased by 13.66% and 26.03% in terms of volume and value respectively, while Arabica increased by 31.58% in volume and decreased by 23.76% in value compared to the same period last year 2014/15.

Performance on a year to year basis remained about the same. coffee exports for the period (November 2014-October 2015) totalled 3.45 million bags worth $403 million compared to 3.52 million bags worth US$402 million in the same period last year (November 2013 –October 2014).

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

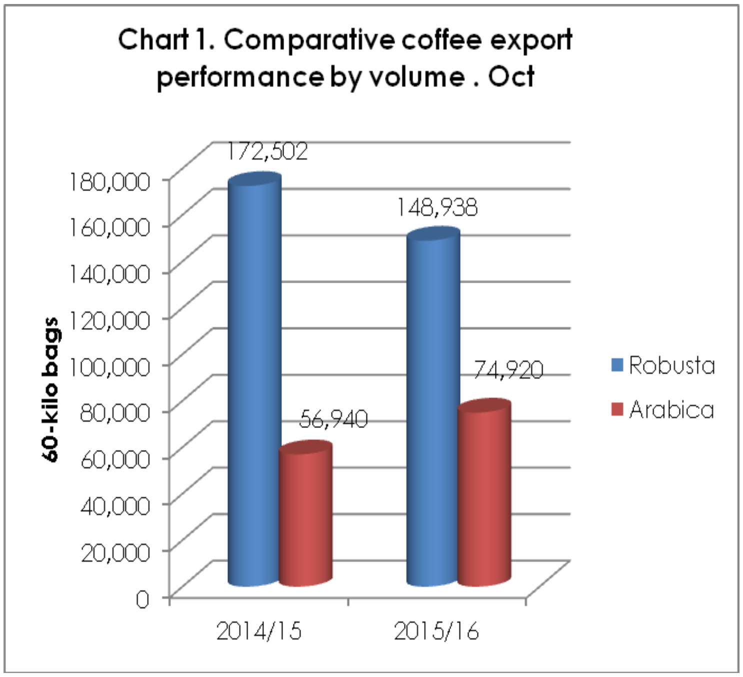
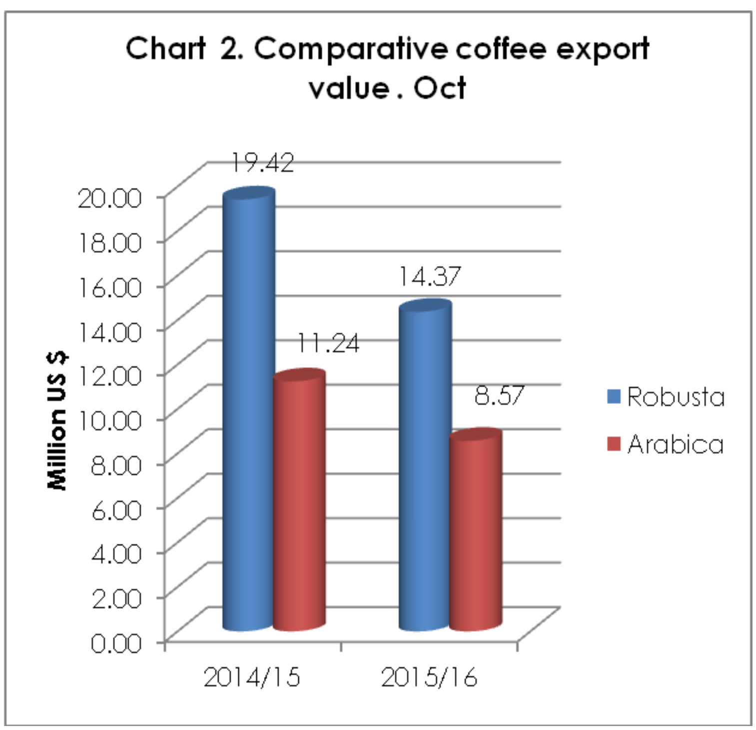


Chart 2 gives comparative performance value by coffee type in the 2 coffee years



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 2015**.** The weighted average export price was US $ 1.71. Robusta exports accounted for 67% of total exports. The average Robusta price was US$ 1.61 per kilo,1 US cent lower than in September 2015. Comparing the standard Screen 15 that was US $ 1.73 with the standard price for the London International Financial Futures and Options Exchange **(LIFFE)** that was US$ 1.59 per Kilo, there was a premium of 14 US cents. Washed Robusta fetched the highest price for Robusta at US$ 1.89 per kilo, followed by organic Robusta at US$ 1.78 per kilo. Arabica fetched a weighted average price of US$ 1.91 per kilo, US Cents 16 lower than the previous month. The highest price was for Organic Sipi Falls which was at US$ 3.75 per kilo followed by organic Bugisu at US$ 2.95 per kilo. Compared to Bugisu AA that was at US$ 2.45, there was a discount of 17 US cents against the standard price at the Intercontinental Exchange **(ICE)** whose average price was US $ 2.62.

Table 2: Coffee Exports by Type, Grade & Unit Price in October 2015

– *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	**223,858**		**22,933,326**		**1.71**
ROBUSTA	**148,938**	**100.00**	**14,366,648**	**100.00**	**1.61**
-WASHED ROBUSTA	2,240	1.50	254,393	1.77	1.89
- ORGANIC ROBUSTA	2,120	1.42	226,245	1.57	1.78
SCREEN 18	22,006	14.78	2,267,922	15.79	1.72
SCREEN 17	19,383	13.01	1,900,415	13.23	1.63
SCREEN 15	55,449	37.01	5,760, 910	40.10	1.73
SREEN 14	654	0.44	56,231	0.39	1.43
SCREEN 12	18,448	12.39	1,765,061	12.29	1.59
BHP 1199	14,264	9.58	976,284	6.80	1.14
OTHER ROBUSTA	14,374	9.65	1,159,187	8.07	1.34
ARABICA	**74,920**	**100.00**	**8,566,678**	**100.00**	**1.91**
-ORGANIC SIPI FALLS	70	0.09	15,741	0.18	3.75
-ORGANIC BUGISU	640	0.85	113,440	1.32	2.95
-BUGISU A+	1,080	1.44	157,144	1.83	2.43
MT. ELGON A+	1,720	2.30	250,,266	2.92	2.43
MT ELGON A	320	0.43	46,561	0.54	2.43
BUGISUAA	5,588	7.46	821,012	9.58	2.45
BUGISU A	360	0.48	52,381	0.61	2.43
BUGISU AB	1,108	1.48	170,761	1.99	2.57
BUGISU CPB	720	0.96	93,334	1.09	2.16
BUGISU C	64	0.09	7,433	0.09	1.94
WUGAR	1,430	1.91	217,452	2.54	2.53
DRUGAR	55,620	74.24	6,248,578	72.94	1.87
OTHERS	6,200	8.28	372,574	4.35	1.00

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of October 2015 in terms of quantity and market share. Ugacof (U) Ltd held the highest market share of 13.78% (23.28%), followed by Olam (U) Ltd- 11.61% (17.12%); Kawacom (U) Ltd 9.38% (10.10%); Export Trading- 7.94% (9.39%) and Ideal Commodities 7.91% (5.18%). The first 10 exporters held a market share of 80.53% lower than 85.66% in the previous month. *The figures in brackets represent percentage market share held in September 2015.*

Table 3: Export Performance by Individual Companies in October 2015

	Exporting Company	position held in September	Quantity Bags	%- age Market Share Individual	Cumulative
	Grand Total		**223,858**	**100.00**	
1	Ugacof (U) Ltd	1	30,842	13.78	13.78
2	Olam (U) Ltd	2	25,985	11.61	25.39
3	Kawacom (U) Ltd	3	20,994	9.38	34.76
4	Export Trading	4	17,776	7.94	42.70
5	Ideal Commodities	6	17716	7.91	50.62
6	Kyagalanyi Coffee Ltd	5	16,426	7.34	57.96
7	LD Commodities	8	12,744	5.69	63.65
8	Besmark Coffee Ltd	10	12,342	5.51	69.16
9	Great Lakes Coffee Ltd	19	7,800	3.48	77.06
10	Ishaka Quality Commodities	9	7,760	3.47	80.53
11	Commodity Solutions	22	6,890	3.08	83.60
12	Ankole Coffee Producers	11	6,286	2.81	86.41
13	Risala (U) Ltd	13	5,800	2.59	89.00
14	Savannah Commodities	18	5,145	2.30	91.30
15	Kampala Domestic Store	12	4,470	2.00	93.30
16	Mbale Importers & exporters	23	2,940	1.31	94.61
17	Coffee World	15	2,632	1.18	95.79
18	Kaweri Coffee Plantation	16	2,240	1.00	96.79
19	Bakhison	-	1,400	0.63	97.41
20	Ankole Coffee Processors	17	1,200	0.54	97.95
21	NUCAFE Ltd	-	970	0.43	98.38
22	Sena Indo	20	900	0.40	98.78
23	Nakana Coffee Factory	25	710	0.32	99.10
24	Banyankole Kweterana Coop	14	660	0.29	99.40
25	Zigoti coffee works	26	350	0.16	99.55
25	Karaz Coffee factory	21	350	0.16	99.71
27	Fairlop global commodities	-	330	0.15	99.86
28	Bukonzo Joint Coop Union	-	320	0.14	100.00

3.0 LOCAL SITUATION

During the month, farm gate prices were in the range of : Shs. 2,200 – 2,500 per kilo of Kiboko (Robusta dry cherries); Shs. 4,300 – 4,700/= for FAQ; Arabica parchment was sold between shs.5,200/=-6,000/= per kilo . Drugar from Kasese was in the range of 5,500/=-6,000/= per Kilo.

4.0 GLOBAL SITUATION

Global coffee exports for the coffee year 2014/15 amounted to 110.7 million bags, a 3.1% decrease from the previous year 2013/14 which was 114.24 million bags. The decrease was attributed to lower exports mostly from Vietnam where price resistance within producers and internal traders was evident .

The world total production for coffee year 2014/15 has been revised to 143.3 million bags down 2.3% compared to last year. The revision is mostly due to an increase in production by Colombia which is now estimated at 13.3 million bags.

Global consumption is estimated at 149.2 million bags in calendar year 2014, an increase of 2.3%. from the previous year.

The ICO monthly average composite indicator price increased to US cents/lb 118.43 up from US cents113.14 in September. The increase was noticed at the beginning of the month reaching as high as US cents/lb 125.08 as rains in Brazil did not come as expected raising concerns over the flowering of the 2016/17/crop. However prices dropped as the Brazilian Real weakened against the US dollar and as rains also started to appear.

5.0 COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of October 2015. Exports to EU countries totalled 148,873 bags accounting for 66.50% of total exports compared to 212,407 bags (74.18%) exported in September 2015. It was followed by Sudan with 34,740 bags (15.52%) compared to 39,730 bags (13.88%) and USA with 10,284 bags (4.59%) compared to 1,520 (0.53%) exported in September 2015.

Table 4: Main Destinations of Uganda Coffee in October 2015

	Destination	Position held In September	QTY	%- Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**223,858**	**100.00**	
1	EU[1]	1	148,873	66.50	66.50
2	Sudan	2	34,740	15.52	82.02
3	USA	9	10,284	4.59	86.62
4	India	3	7,907	3.53	90.15
5	Switzerland	11	5,990	2.68	92.82
6	Morocco	7	5,582	2.49	95.32
7	Korea	5	2,400	1.14	96.33
8	Russia	8	2,260	0.94	97.27
9	China	6	1,650	0.74	98.00
10	South Africa	12	1,282	0.57	98.57
11	Australia	-	640	0.29	98.86
12	Canada	14	640	0.29	99.15
13	Singapore	13	350	0.16	99.30

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.

14	Israel	10	320	0.14	99.45
15	Japan	4	320	0.14	99.59
16	Ukraine	15	320	0.14	99.73
17	Taiwan	17	300	0.13	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in October 2015. The top 10 *buyers held a market share of 58.75% of the total exports lower than 68.22% in September, 2015.reflecting reducing concentration at the buyer level. Sucafina had the highest market share – 11.77% (22.17%), Olam International – 9.25% (12.26%),Altasheel –7.66% (7.16%), Socadec 7.22% (2.65%), Ecom Agro Industrial 5.75% (4.83%), Bernhard Rothfos 3.86% (5.21%), Tropicore 3.68% Strauss Commodities. 3.43% (2.92%), Bercher Consulting 3.29%,(1.80%) Tata Coffee 2.84% Note: The figures in brackets represent percentage performance in the previous month – September 2015.*

TABLE 5: Buyers of Uganda Coffee in October 2015: 60-kilo bags

	BUYERS	Position held in September	QTY 60-Kilo Bags	%-Age Market Share Individual	%-Age Market Share Cumulative
	GRAND TOTAL		**223,858**	**100.00**	
1	Sucafina	3	26,340	11.77	11.77
2	Olam International	1	20,718	9.25	21.02
3	Altasheel	14	17,150	7.66	28.68
4	Socadec	6	16,158	7.22	35.90
5	Ecom Agro Industrial	2	12,874	5.75	41.65
6	Bernhard Rothfos	10	8,640	3.86	45.51
7	Tropicore	5	8,243	3.68	49.19
8	Strauss Commodities	11	7,668	3.43	52.62
9	Bercher Consulting	12	7,360	3.29	55.91
10	Tata Coffee	4	6,367	2.84	58.75
11	Louis Dreyfus	13	5,984	2.67	61.42
12	Abu Asma	9	5,800	2.59	64.01
13	Abaco International	19	5,600	2.50	66.52
14	ETG Commodities	7	4,946	2.21	68.73
15	Falcon Commodities	15	4,160	1.86	70.58
16	Icona Café	-	4,150	1.85	72.44
17	Coffy handles	-	4,130	1.84	74.28
18	Guzman Global	-	3,960	1.77	76.05
19	Aldwami Company	-	3,500	1.56	77.62
20	Coex coffee	20	3,424	1.45	79.06
21	Coffee Services	16	3,200	1.43	80.49
22.	Volcafe Ltd	-	2,692	1.20	81.70
23	A van Weely	-	2,240	1.00	82.70
24	Cofftea	-	2,100	0.94	83.63
25	Elimathahib	-	2,100	0.94	84.57

26	Namyang	2,100	0.94	85.51
27	Commodity	2,004	0.90	86.41
28	Others	30,432	13.59	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

6.1 The Weather Situation

Central Region

- The Month started with the persistence of the hot and dry weather. During the second week some parts of Greater Mpigi, Greater Mukono and greater Luweero started receiving some good rains that allowed coffee planting. The dry conditions continued in Greater Masaka until the third week.
- The rains boosted the coffee beans on the trees which is an indicator of high yields later in December. The high moisture levels also triggered off coffee ripening and flowering in Greater Luweero, Greater Mukono Greater Mpigi and the Northern parts of Greater Masaka.

Western Region

- Kyenjojo & Ruwenzori sub regions experienced heavy rainfall in most parts. The rains have enabled the establishment of the coffee planted coffee in the region.
- Mityana and Hoima sub regions received heavy rains in some parts destructive throughout the month of October, and enabled planting of coffee.

Northern Region

- Overall above average normal rainfall was experienced in West Nile region which was fairly distributed in both time and space punctuated with fairly moderate temperatures.
- In Mid North, average rainfall punctuated with moderately low temperatures during the month, spread throughout the sub region.
- The generally good weather conditions impacted positively on the general performance of young plants. The weather also initiated and enhanced coffee ripening. The coffee plants experienced first flowering and coffee yield is expected to increase.

Eastern Region

- In Busoga, the month was characterized by heavy rains and sometimes hailstorm evenly distributed throughout most districts in the sub-region. This has affected coffee drying operations. The berries have started ripening on most trees.

- In Mt. Elgon sub region, heavy and torrential rainfall started towards the end of 2nd week. In districts like Bududa and high altitude areas of Manafwa it rains daily. No disasters so far reported. There are fears that Bududa is likely to have mud/landslides. Officials from Disaster Preparedness Department have since then camped in the district to monitor any possible occurrence.

South Western Region

- The weather was slightly dry in Kiruhura, Isingiro and Ntungamo at the beginning of the month but became quite wet towards end of the month in all the districts in the Region.
- Seedlings distribution has been in full gear throughout the region as rains are now quite stable. With the current heavy rains experienced in the region, it is expected that most of the planted coffee shall establish well, particularly for farmers that have taken the advice and dug the right size holes prior to planting.

6.2 Generation of Coffee Planting Material

- Coffee Wilt Disease Resistant seedling Generation;
- Tissue culture seedlings generation for 500,000 seedlings progressing at FICA Laboratory in Kyenjojo District, and due for weaning and hardening from December 2015
- Allocation of CWD-R seedlings – 4,700 seedlings allocated to 7 Nursery operators.
  - Elite seedling Nurseries:
  - 2 MT of Arabica seed distributed to Nursery operators

6.3 Management of Diseases and Pest Out breaks.

- Surveillance reports continue to indicate a reduced presence of Black Coffee Twig Borer (BCTB) in most Robusta Regions.
- There is increased incidences of Coffee Berry Disease in high altitude areas of Kapchorwa and Kween Districts.

6.4 Coffee Planting

- A total of 34,591,242 million seedlings were planted. Total seedlings for the season stands at 35,789,051.

6.5 Technical Extension Services and Quality Improvement.

- During the routine inspection of coffee facilities and the multi stakeholder taskforce in the districts of Kamuli, Mayuge, Iganga, Luuka, Bugiri and Jinja, several stakeholders,

including Uganda Police were sensitized and awareness of the coffee regulations created.
- Harvesting of the main and minor crops in Central regions above and below the Equator respectively begun during the Month. The quality will be good because of favourable weather and volumes moderate. Post-harvest handling is expected to be challenging because of the ongoing heavy rains.

7.0 COFFEE PROMOTION ACTIVITIES

Coffee Shows;

There were coffee shows in the following Districts;

- Lwengo , Kibaale, Arua, Nebbi, Gulu, Lira and Oyam

World Food day;

- The world food day was held at Rwebitaba Zonal Agricultural Research and Development (Zardi) on 16 October 2015 in Kabarole district. The UCDA stall demonstrated the whole coffee value chain from farm to the cup. Over 500 cups of coffee were served to the participants.
- H.E The President Yoweri Kaguta Museveni was the Chief Guest. The president promised more investment in the agricultural sector and also an increment in budget allocations to Ministry of agriculture.

Bukonzo Joint Farmer's Co-operative Society gets sustainability quality award

- Bukonzo Joint Farmers' Cooperative Society in Kasese got a sustainability quality award from Seattle - USA for exporting some of the best coffee to the market. The quality award was handed to the Cooperative Society by Jennifer Roberts from Atlas Coffee Company in the USA.

Continuous Quality Improvement

- Carried out farmer training in basic stages of the coffee value chain i.e. harvesting, drying, storage and hygiene in Namayingo, Iganga and Jinja district. A total of 75 farmers were trained of which 18 were female.
- Carried out a taskforce for Central Region (Kayunga, Mukono, Buikwe, Luwero and Nakaseke, Masaka, Bukomansimbi and Lwengo). The RDC of Kayunga Ms Rose Birungi thanked UCDA efforts in improving quality of coffee and also providing seedlings

- RDC Luwero Mrs Alice Muwanguzi, Regional Police Commander, DISO and community liaison officers participated in the taskforce and also promised to help UCDA's in the distribution of seedlings.
- To curb against malpractices, 9 processors appeared in court- Kayunga and 7 processors in Luweero to appear in court on Monday 23rd November 2015.

The Uganda Coffee Industry Celebrates the 6th Uganda Coffee Day

The 6th Uganda Coffee Day was held on 1st October 2015 at Great Lakes Agricultural Development Farm (GLADFarm) in Kapeeka – Nakaseke District with the theme: "Focus on Productivity: The Coffee Sector at the Climate Change Frontline". The event was aimed at enhancing the capacity of coffee stakeholders and policy makers in obtaining reliable climate change information and data, interpretation of risks, application of resultant knowledge to mainstream climate change adaptation, planning and mitigation measures. The guest of honor H.E. the ambassador of the Royal Norwegian Embassy in Uganda, was represented by Ms. Annlaug Rønneberg, Minister Counsellor. She said that the theme of the event was very relevant to discussions that are taking place internationally regarding Climate Change and that the Norwegian Government had clearly stated its commitment to the Climate Change Agenda that is to reduce the national greenhouse gas emissions with at least 40% by 2030.

Capacity building of industry players through training and skills development

- Inter-university barista training for 43 students from 4 universities was carried out.
- Preliminaries for inter- university Barista competition were carried out, and 22 participated. 12 university students passed through to the semi-finals.
- Trained competitors for the Uganda National Barista Championships (UNBC) from hotels, cafes, roasteries, and exporting companies.
- Conducted Pre R trading course for 18 participants who will take part in the R training course in November 2015

Promote domestic consumption

- Participated in district campaign shows in Kammengo, Mpigi district and the Kyambogo University Cultural Gala.
  - Show attendees tasted good coffee, were taught how to process coffee locally. Awareness on health benefits of taking coffee was done.
  - Show attendees at the district campaign show included farmers who were sensitized on Good Agricultural Practices (GAPS) and

PHPs that achieve good quality coffee. Hon Amelia Kyambade The Minister of Trade Industry and Cooperatives was the chief guest.

- Promoted coffee at the 23rd UMA international trader Fair at Lugogo show grounds and World Food Day celebrations at Rwebitaba, Kabarole district.
  Promoted coffee consumption through explaining health benefits of coffee, explained production processes and trade as well as investment opportunities.

8.0 OUTLOOK FOR NOVEMBER 2015

November exports are projected at 250,000 bags. Harvesting is on going in Central and Eastern regions.

9.0 Up coming events

- ***19th to 30Th November 2015***

There will be a barista training in preparation for the Uganda National Barista Championship, Participants will be drawn from Hotels, cafes, Roasteries and coffee exporting companies.

- ***19th – 20th November 2015: Mulwana Hall, UMA show ground***

There will be a Food and Agricultural Festival and coffee consumption shall be promoted at this two day event . The general public is invited to come and enjoy a nice cup of coffee.