Uganda Coffee Development Authority

MINISTRY OF AGRICULTURE, ANIMAL INDUSTRIES AND FISHERIES

UCDA MONTHLY REPORT FOR NOVEMBER 2014

Highlights:

- *This is the second monthly report for the coffee year 2014/15. 219,948 60-kilo bags of coffee worth US $29.49 million were exported in November 2014 at an average weighted price of US $ 2.23 /kilo.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 2,150/= per kilo; FAQ Shs.4,250 per kilo and Arabica parchment Shs.6,750 per kilo.*
- *Coffee exports for 12 months (December 2013 to November 2014) totalled 3.48m bags worth $405 million comprising of Robusta 2.73 million bags and Arabica 0.75 million bags.*
- *In the month of November a total of 21.933 million Seedlings were planted, bringing total seedlings planted for the Coffee Year to 34.833 million seedlings benefitting 210,860 Households.*
- *Over 78% of the total export volume was exported by 10 exporters, out of 30 exporters that performed in the month up from 75% in the previous month.*
- *The ICO monthly average composite indicator price was US cents/lb 162.17 down from US cents 172.88 in October 2014.*

Coffee exports in November 2014 amounted to 219,948-kilo bags worth US $ 29.49 million. This comprised 159,147 bags ($ 17.97 million) of Robusta and Arabica, 60,801 bags ($ 11.52 million)- *see Table 1.*

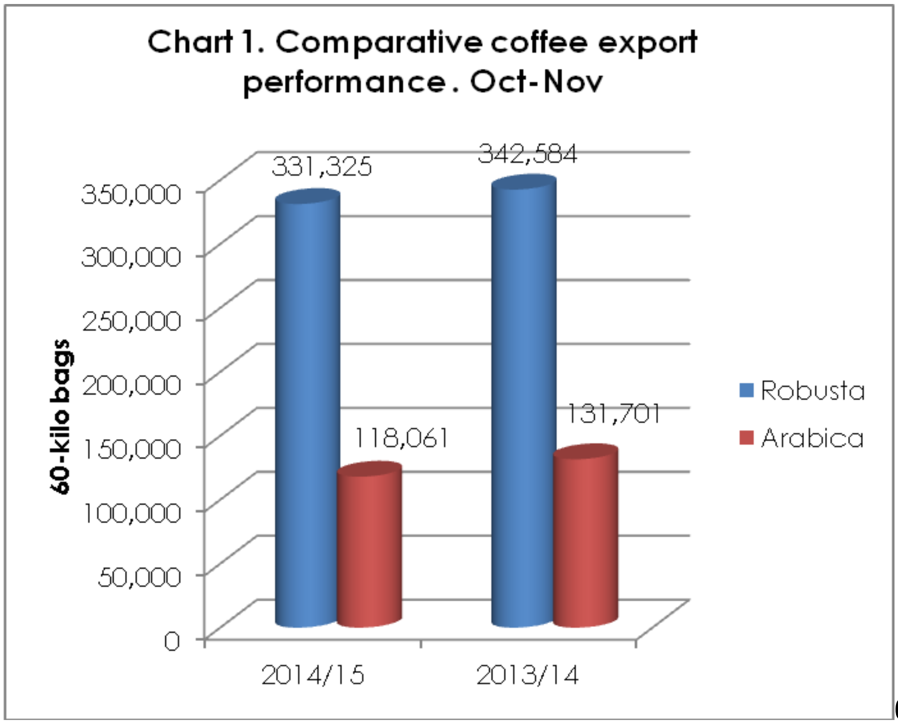
Table1: Comparative Coffee Export Performance – 60-kilo bags; US$

Coffee Year	2014/15		2013/14		%-age Change	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**449,386**	**60,162,827**	**474,285**	**49,387,870**	**-5.25**	**21.82**
Total Robusta	**331,325**	**37,483,267**	**342,584**	**34,432,037**	-3.29	8.86
Total Arabica	**118,061**	**22,679,560**	**131,701**	**14,955,833**	-10.36	51.64
November	**219,948**	**29,493,822**	**263,733**	**26,649,751**	**-16.60**	**10.67**
• Robusta	159,147	17,969,773	184,679	17,779,683	-13.83	1.07
• Arabica	60,801	11,524,049	79,054	8,870,068	-23.09	29.92
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 exports decreased by 13.83% in volume and increased by 1.07% in terms of value compared to the same period last year 2013/14. Similarly, Arabica exports decreased by 23.09% and increased by 29.92 % in value compared to last year.

On a year-on-year basis, coffee exports for the period (December 2013-November 2014) totalled 3.48 million bags worth $405 million compared to 3.65 million bags worth US$430 million in the same period last year (December 2012 –November 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 November 2014. The weighted average export price was US $ 2.23. Robusta exports accounted for 72% of total exports. The average Robusta price was US$ 1.88 per kilo, US$ 0.1 lower than in October 2014. Washed Robusta fetched the highest price for Robusta at US$ 2.65 per kilo, followed by Screen 18 at US$ 2.04 per kilo. Arabica fetched a weighted average price of US$ 3.16 per kilo, US$ 0.9 lower than the previous month. The highest price was for washed Arabica which was at US$ 4.19 per kilo followed by Mt Elgon A+ at US$ 4.02 per kilo.

Table 2: Coffee Exports by Type, Grade & Unit Price in November 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	**219,948**		**29,493,822**		**2.23**
ROBUSTA	**159,147**	**100.00**	**17,969,773**	**100.00**	**1.88**
-WASHED ROBUSTA	330	0.21	52,381	0.29	2.65
- ORGANIC ROBUSTA	1,400	0.88	168,308	0.94	2.00
SCREEN 18	17,231	10.83	2,110,124	11.77	2.04
SCREEN 17	4,994	3.14	515,451	2.87	1.72
SCREEN 15	76,426	48.02	9,051,134	50.37	1.97
SREEN 14	330	0.21	30,556	0.17	1.54
SCREEN 12	33,856	21.27	3,780,578	21.04	1.86
BHP 1199	14,090	8.85	1,164,793	6.48	1.38
OTHER ROBUSTA	10,490	6.59	1,096,449	6.10	1.74

ARABICA	**60,801**	**100.00**	**11,524,049**	**100.00**	**3.16**
-MT ELGON A+	320	0.53	77,249	0.67	4.02
-ORGANIC BUGISU	1,320	2.17	288,097	2.50	3.64
-BUGISU A+	1,800	2.96	366,669	3.18	3.40
-WASHED ARABICA	45	0.07	11,310	0.10	4.19
BUGISUAA	5,104	8.25	1,075,334	9.31	3.56
BUGISU A	2,160	3.55	485,717	4.21	3.75
BUGISU AB	5,702	9.38	1,209,654	10.50	3.54
BUGISU CPB	20	0.03	2,904	0.03	2.42
WUGAR	3,470	5.71	554,218	4.81	2.66
DRUGAR	36,086	59.35	7,024,259	60.95	3.24
OTHERS	4,860	7.99	431,590	3.75	1.48

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of November 2014 in terms of quantity and market share. Ugacof (U) Ltd held the highest market share of 13.03% (10.96%), followed by Ibero (U) Ltd- 9.83% (4.10%); Kyagalanyi Coffee Ltd 9.34% (7.43%); Ideal Commodities- 9.15% (6.26%) and Kampala Domestic Store 9.05% (3.53%). The first 10 exporters held a market share of 78.36% higher than 75.31% in the previous month. Significant change in relatively positons especially in the first ten major exporting companies reflecting competition at this level. *The figures in brackets represent percentage market share held in October 2014.*

Table 3: Export Performance by Individual Companies in November 2014

	Exporting Company	position held	Quantity	%- age Market Share	
			Bags	Individual	Cumulative
	Grand Total	**in October**	**219,948**	**100.00**	
1	Ugacof (U) Ltd	2	28,664	13.03	13.03
2	Ibero (U) Ltd	11	21,619	9.83	22.86
3	Kyagalanyi Coffee Ltd	4	20,533	9.34	32.20
4	Ideal Commodities (U) Ltd	8	20,126	9.15	41.35
5	Kampala Domestic Store	12	19,902	9.05	50.40
6	Export Trading Co. (U) Ltd	3	17,700	8.05	58.44
7	Besmark Coffee Co. Ltd	13	13,330	8.05	58.44
8	Kawacom (U) Ltd	7	11,704	5.32	69.82
9	Great Lakes Coffee Ltd	9	10,558	4.80	74.62
10	Olam (U) Ltd	1	8,220	3.74	78.36
11	Ishaka Quality Commodities	15	6,440	2.93	81.29
12	Savannah Commodities	14	5,550	2.52	83.81
13	Job Coffee Ltd	10	5,058	2.30	86.11
14	Commodity Solutions (U) Ltd	17	4,592	2.09	88.20
15	Kamba Petroleum	16	3,312	1.51	90.18
16	Risala (U) Ltd	18	2,950	1.34	91.05
17	LD Commodities Ltd	6	2,768	1.26	92.31
18	Mbale Importers & Exporters	19	2,672	1.21	93.53
19	Armajaro (U) Ltd	5	2,374	1.08	94.60
20	Wabulungu Multi Purpose	23	2,068	0.94	95.54
21	Nakana Coffee Factory	27	1,988	0.90	96.44
22	Ankole Coffee Producers	20	1930	0.88	97.32
23	Banyankole Kweterana	-	1,640	0.75	98.07

24	Ankole Coffee Processors	25	1,050	0.48	98.55
25	Gumutindo Coffee Ltd	-	960	0.44	98.98
25	Bukonzo Joint Coop	28	640	0.29	99.27
27	Sena Indo (U) Ltd	22	600	0.27	99.55
28	Coffee World (U) Ltd	25	350	0.16	99.70
29	Karaz Coffee Factory	-	330	0.15	99.85
30	Nucafe Coffee Farmers org	-	320	0.15	100.00

3.0 LOCAL SITUATION

During the month, farm gate prices were in the range of: Shs. 2,000 – 2,300 per kilo of Kiboko (Robusta dry cherries); Shs. 4,000 – 4,500/= for FAQ; Arabica parchment was sold between shs.6,500/=-7,000/= per kilo. Drugar from Kasese was in the range of 6,000/=-6,500/= per Kilo. The decrease in the price was in line with the fall in global prices.

4.0 GLOBAL SITUATION

Global coffee exports for the first month of 2014/15 coffee year (October) to 8.9 million bags, a 0.5% higher than the same month last year. Coffee exports in the first ten months for the calendar year 2014 amounted to 95 million bags, 0.7% higher than last year. This is attributed to strong exports from Brazil, Colombia and Vietnam.

The world total production for coffee year 2013/14 is still estimated at 145.2 million bags while consumption is also still 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 decreased to US cents/lb 162.17 down from US cents 172.88 in October 2014 as widespread rains in Brazil prevented any price rise.

COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of November 2014. Exports to EU countries totalled 139,913 bags accounting for 63.61% of total exports compared to 173,692 bags (75.70%) exported in October 2014. It was followed by Sudan with 32,698 bags (14.87%) compared to 18,900 bags (8.24%) and USA with 14,390 bags (6.54%) compared to 11.952 (5.21%) exported in October 2014. *The figures in brackets represent percentage performance in the previous month – October 2014*

Table 4: Main Destinations of Uganda Coffee in November 2014

Destination	Position held In October	QTY	%- Age Market Share	
		60-Kilo Bags	Individual	Cumulative
GRAND TOTAL		**219,948**	**100.00**	

1	EU[1]	1	139,913	63.61	63.61
2	Sudan	2	32,698	14.87	78.48
3	USA	3	14,390	6.54	85.02
4	Switzerland	5	7,140	3.25	88.27
5	Morocco	10	6,410	2.91	91.18
6	Israel	9	3,560	1.62	92.80
7	Russia	6	3,220	1.46	94.26
8	South Africa	7	2,875	1.31	95.57
9	India	4	2,700	1.23	96.80
10	Japan	11	2,480	1.13	97.93
11	Singapore	8	1,982	0.90	98.83
12	Korea	14	660	0.30	98.83
13	Kenya	-	640	0.29	99.42
14	Australia	-	330	0.15	99.57
15	China	12	330	0.15	99.72
16	Newzealand	-	320	0.15	99.86
17	Taiwan	15	300	0.14	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in November 2014. The top 10 *buyers held a market share of 69.09% of the total exports lower than 70.87% in October, 2014. Bernhard Rothfos – 12.80% (4.10%), Sucafina – 12.73% (9.85%),Olam International –8.84% (18.18%), Altasheel 7.00% (6.56%), Strauss Commodities 5.78% (3.56%), Ecom Agro Industrial 5.78% (8.00%), Aldwami Co. 5.57% (0.61%) Coex Coffee. 4.09% (2.64%), Socadec 3.47 % (6.72%) Abaco International 3.02%. Changes in relative positions of buyers from the previous month reflects competition at the buyers' level. Note: The figures in brackets represent percentage performance in the previous month – October 2014.*

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

	BUYERS	Position held in October	QTY 60-Kilo Bags	%-Age Market Share Individual	Cumulative
	GRAND TOTAL		**219,948**	**100.00**	
1	Bernhard Rothfos	7	28,159	12.80	12.80
2	Sucafina	2	28,010	12.73	25.54
3	Olam international	1	19,434	8.84	34.37
4	Altasheel	6	15,398	7.00	41.37
5	Strauss Commodities	9	12,719	5.78	47.16
6	Ecom Agro industrial	3	12,704	5.78	52.93
7	Aldwami co	24	12,250	5.57	58.50
8	Coex Coffee	12	9,004	4.09	62.60
9	Socadec	5	7,636	3.47	66.07
10	Abaco international	-	6,650	3.02	69.09

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.

11	Icona Café	11	5,990	2.72	71.81
12	Falcon Commodities	8	5,440	2.47	74.29
13	Bercher	10	5,120	2.33	76.62
14	Koninklij	14	3,960	1.80	78.42
15	Louis Dreyfus	4	3,840	1.75	80.16
16	NV Group	-	3,600	1.64	81.80
17	Coffy Handels	18	3,134	1.42	83.22
18	CCL Products	-	3,000	1.36	84.59
19	Abu Asma	16	2,950	1.34	85.93
20	Hamburg Coffee	-	2,880	1.31	87.24
21	Norddec	-	2,400	1.09	88.33
22.	Volcafe	21	2,240	1.02	89.35
23	Supremo	-	1,800	0.82	90.17
24	Tropcore	-	1,600	0.73	90.89
25	Others		20,030	9.11	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

6.1 Weather

Central Region

- Moderate rains were received in most areas during the month save for Masaka Sub-Region that received heavy rains. This has favored the newly planted coffee. Ripening & harvesting intensified in some parts of Luweero and Mukono Sub-Regions. In some locations, coffee drying was still a challenge due to the unexpected rains and short sunny days.

Western Region

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

Northern Region

- West Nile continued to receive normal rains which were evenly distributed in time and space throughout the sub region. This facilitated better establishment of the newly planted coffee and general field performance but not good for effective drying of parchment.

- Mid North experienced dry spell during the first two weeks characterised by strong winds and high temperatures. However, the last two weeks had average rainfall characterized by moderate temperatures. The generally good weather conditions impacted positively on the general performance of young plants. The yields of coffee is expected to be low as compared to last season due to change of cycle of coffee plants in the sub-region

Eastern Region

- The month was characterized by isolated rains. In Mount Elgon region, the month was characterized by intermittent rains good for harvesting.

South - Western

- The Region received heavy rains, and this provided the planted seedlings the needed establishment moisture to enable good root development for sustenance in the expected January-February 2015 dry spell.

6.2 Generation of Coffee Planting Material

- 27 mother gardens where given equipment and materials for establishment of Nursery sheds,
- Technical guidance continued on maintenance of CWD-R mother gardens.
- 9.78 MT of Robusta and Arabica seed were distributed to Nursery operators

6.3 Coffee Planting

A total of 21.933 million seedlings was planted by farmers/farmer groups, and veterans, benefiting a total of 146,200 households.

6.4 Management of Diseases and Pests.

- Black Twig borer continues to be major threat in Robusta regions.
    - Chemicals for Method Demos were delivered to all Districts in the Intervention areas, and spraying will start in January in some areas.
    - 20 Motorized spray pumps were procured for more effective spray impact and also to speed up the exercise.
    - Continued sensitization of farmers and stakeholders through Radio is ongoing.

- Preparations are underway for intervention against the outbreak of Coffee Berry Disease in Sebei sub region.

6.5 Technical Extension Services and Quality Improvement.

The harvesting of the main crop in central region started though the rain raised a lot of problems of improper drying and handling
One multi-stakeholder Task Force activity was carried out in South – Western region, mainly covering Ibanda and Kanungu zones that were in production at the time. It was generally observed that despite sporadic cases where some middlemen were still found dealing in coffee malpractices, a lot of improvement was noted in respect to harvesting and drying practices.

Sensitization of coffee processors, coffee buyers and farmers was carried out in all the regions

6.6 The 54th Annual IACO General Assembly and Exhibition

Uganda hosted the 54th Inter African Coffee Organization (IACO) Annual General Assembly (AGA) and the 2nd African Coffee Symposium from 17th to 20th November 2014 at Kampala Serena Hotel. The main objective was to showcase Uganda's finest coffees to the world and gain more insight on the latest information impacting the coffee industry. The theme of the Symposium was "Unlocking the potential of the African coffee industry'. The General assembly was officially opened by the Rt. Hon Prime Minister Dr. Ruhakana Rugunda and closed by Minister of State for Fisheries, Hon. Ruth Nankabirwa. The 2nd African coffee symposium was opened by the Minister of Agriculture Hon. Tress Bucyanayandi. The exhibition attracted local and international organizations which showcased their products and services. At the end of the AGA, the Kampala Declaration was endorsed by the African delegates.

The 2014 Barista Training and competition

As part of UCDA's program to promote local consumption and to build capacity of the skilled personnel who can prepare and serve quality coffee, 47 people were trained in preparation for the 8th Barista championships whose finals were held on 20th November at Kampala Serena hotel with 6 finalists competing. Mr. Mark Okuta from Royal Suites emerged winner. He will represent Uganda at the Africa Barista Championships in Nairobi Kenya in February 2015 at the AFCA conference and the World Barista Championship in Seattle, USA in April 2015.

Coffee and Health workshop:

During the moth, two workshops on Coffee and Health were held in the districts of Mbarara and Bushenyi attracting a total of 62 participants that included Teachers, Doctors, Students, Farmers and other stakeholders. The Lead presenter was Dr. David Nini, a coffee expert from Israel who outlined the benefits of coffee drinking.

7.0 OUTLOOK FOR DECEMBER 2014

December exports are projected at 240,000 bags as harvesting peaks in Central and Eastern regions.

8.0 UPCOMING EVENTS

January 2015: UCDA-Lugogo

Basic quality control course for players in the coffee industry and Roaster and brewers training. www.ugandacoffee.org

12th -15th February 2015: 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

26th Feb-1st March 2015 India international tea & coffee expo

This event is focused on Tea, Coffee and related products. It is a specialized event for business-to-business & business-to-consumer genre presenting fresh ideas, new trend, tradition, technology with three days focused buying, selling and education. www.teacoffeeexpo.in