Uganda Coffee Development Authority

MINISTRY OF AGRICULTURE, ANIMAL INDUSTRIES AND FISHERIES

UCDA MONTHLY REPORT FOR MARCH 2015

Highlights:

- *This is the sixth monthly report for the coffee year 2014/15. 311,747 60-kilo bags of coffee worth US $40.94 million were exported in March 2015 at an average weighted price of US $ 2.19 /kilo, 10.33% lower in volume and 5.58% higher in value compared to the same month last year.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 1,900/= per kilo; FAQ Shs.3,900 per kilo and Arabica parchment Shs.5,750 per kilo.*
- *Coffee exports for 12 months (April 2014 to March 2015) totalled 3.27m bags worth $414 million comprising of Robusta 2.52 million bags and Arabica 0.75 million bags.*
- *A cumulative total of 36.614 million seedlings have been planted since October 2014 benefitting 214,775 Households.*
- *Over 82% of the total export volume was exported by 10 exporters, out of 30 exporters who performed in the month.*
- *The ICO monthly average composite indicator price was US 127.04 cents/lb down from US cents 141.10 in February.*

Coffee exports in March amounted to 311,747-kilo bags worth US $ 40.94 million. This comprised 216,022 bags ($ 23.89 million) of Robusta and Arabica, 95,725 bags ($ 17.05 million)- *see Table 1.*

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

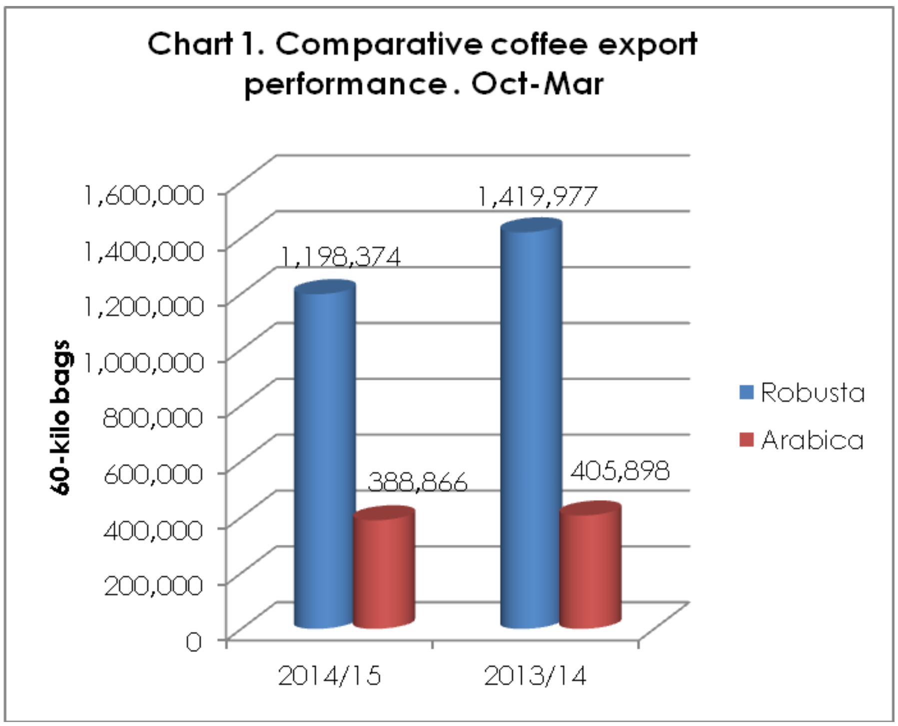
Coffee Year	2014/15		2013/14		%-age Change	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**1,587,240**	**207,480,332**	**1,825,875**	**187,757,415**	**-13.07**	**10.50**
Total Robusta	**1,198,374**	**134,737,681**	**1,419,977**	**139,267,713**	-15.61	-3.25
Total Arabica	**388,866**	**72,742,651**	**405,898**	**48,489,702**	-4.20	50.02
March	**311,747**	**40,936,305**	**347,663**	**38,772,433**	**-10.33**	**5.58**
• Robusta	216,022	23,891,117	268,178	27,678,522	-19.45	-13.68
• Arabica	95,725	17,045,188	79,485	11,093,911	20.43	53.64
February	**290,475**	**36,903,356**	**355,449**	**35,532,674**	**-18.28**	**3.86**
• Robusta	229,250	25,626,014	285,221	27,291,303	-19.62	-6.10
• Arabica	61,225	11,277,342	70,228	8,241,371	-12.82	36.84
January	**310,829**	**39,699,660**	**391,092**	**38,846,691**	**-20.52**	**2.20**
• Robusta	245,066	27,116,059	322,307	30,861,741	-23.97	-12.14
• Arabica	65,763	12,583,601	68,785	7,984,950	-4.39	57.59
December	**224,803**	**29,778,184**	**257,386**	**25,217,747**	**-12.66**	**18.08**
• Robusta	176,711	20,621,224	201,687	19,004,110	-12.38	8.51
• Arabica	48,092	9,156,960	55,699	6,213,637	-13.66	47.37
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 19.45% and 13.68% in volume and value respectively compared to the same period last year 2013/14, while Arabica exports increased by 20.43% and 53.64 % in volume and value respectively compared to last year. However, there was a 7.32% and 10.93 increase in volume and value respectively over February 2015.

On a year-on-year basis, coffee exports for the period (April 2014-March 2015) totalled 3.27 million bags worth $414 million compared to 3.77 million bags worth US$415 million in the same period last year (April 2013 –March 2014). This was a decrease of 13.26% and 0.24% in volume and value resectively comared to the same eriod last year.

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 March 2015. Robusta exports accounted for 69% of total exports. The average Robusta price was US$ 1.84 per kilo, 2 cents lower than in February 2015. Washed Robusta fetched the highest price for Robusta at US$ 2.23 per kilo, followed by Organic Robusta at US$ 2.07 per kilo, a premium of 30 and 14 cents respectively over Screen18. Arabica fetched a weighted average price of US$ 2.97 per kilo, US cents 10 lower than the previous month. The highest price was for Sustainable Fully washed Sipi Falls that was at US$

5.36 per kilo although with minimal quantities. It was followed Organic Okoro at US$ 3.45 per kilo. The weighted average export price was US $ 2.19.

Table 2: Coffee Exports by Type, Grade & Unit Price in March 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	**311,747**		**40,936,305**		**2.19**
ROBUSTA	**216,022**	**100.00**	**23,891,117**	**100.00**	**1.84**
-SUSTAINABLES					
- ORGANIC ROBUSTA	2,093	0.97	260,392	1.09	2.07
WASHED ROBUSTA	720	0.33	96,429	0.40	2.23
SCREEN 18	39,284	18.19	4,543934	19.02	1.93
SCREEN 17	13,093	6.06	1,491,812	6.24	1.90
SCREEN 15	97,633	45.20	11,357,734	47.54	1.94
SCREEN 14	320	0.15	29,630	0.12	1.54
SCREEN 13	334	0.15	37,111	0.16	1.85
SCREEN 12	35,312	16.35	3,777,719	15.81	1.78
BHP 1199	14,409	6.67	1,205,601	5.05	1.39
OTHER ROBUSTA	12,824	5.94	1,090,756	4.57	1.42
ARABICA	**95,725**	**100.00**	**17,045,188**	**100.00**	**2.97**
-SUSTAINABLES					
-ORGANIC BUGISU	6,076	6.35	1,219,944	7.16	3.35
-ORGANIC OKORO	4,680	4.89	969,530	5.69	3.45
-FULLY WASHED SIPI FALLS	45	0.05	14,464	0.08	5.36
-MT ELGON AA	150	0.16	25,794	0.15	2.87
- MT ELGON A	4,550	4.75	837,968	4.92	3.07
-ORGANIC DRUGAR	1,340	1.40	238,097	1.40	2.96
BUGISU AA	13,856	14.47	2,842,652	16.68	3.42
BUGISU A	3,210	3.35	493,654	2.90	2.56
BUGISU AB	7,920	8.27	1,498,780	8.79	3.15
BUGISU CPB	1,600	1.67	303,494	1.78	3.16
MIXED ARABICA	940	0.98	76,362	0.45	1.35
WUGAR	12,700	13.27	2,576,170	15.11	3.38
DRUGAR	35,568	37.16	5,646,027	33.12	2.65
OTHERS	2,780	2.90	244,843	1.44	1.47

*

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of March 2015 in terms of quantity and market share. Ugacof (U) Ltd held the highest market share of 18.0% compared to 13.28% for the previous month. It was followed by Kawacom (U) Ltd- 16.30% (11.17%); Kyagalanyi Coffee Ltd 10.39% (8.77%); Olam (U) Ltd- 8.79% (8.35%) and Export Trading 5.75% (2.99%). The first 10 exporters held a market share of 82.15% higher than 74.76% in the previous month, reflecting increased concentration at this level. *The figures in brackets represent percentage market share held in February 2015.*

Table 3: Export Performance by Individual Companies in March 2015

	Exporting Company	position held in February	Quantity Bags	%- age Market Share Individual	%- age Market Share Cumulative
	Grand Total		**311,747**	**100.00**	
1	Ugacof (U) Ltd	1	58,622	18.80	18.80
2	Kawacom (U) Ltd	2	50,827	16.30	35.11
3	Kyagalanyi Coffee Ltd	3	32,390	10.39	45.50
4	Olam (U) Ltd	6	27,418	8.79	54.29
5	Export Trading Coffee company	12	17,936	5.75	60.05
6	Great Lakes Coffee Ltd	13	16,820	5.40	65.44
7	Ideal Commodities	5	15,924	5.11	70.55
8	Ibero (U) Ltd	3	14,253	4.57	75.12
9	Besmark Coffee Co. Ltd	8	12,480	4.00	79.13
10	Ishaka Quality Commodities Ltd	10	9,428	3.02	82.15
11	LD Commodities (U) Ltd	19	9,165	2.94	85.09
12	Commodity Solutions (U) Ltd	7	8,720	2.80	87.89
13	Savannah Commodities	9	8,708	2.79	90.68
14	Kampala Domestic Store Ltd	11	8,428	2.70	93.38
15	Kamba Petroleum	31	2,278	0.73	94.11
16	Risala (U) Ltd	27	2,050	0.66	94.77
17	Ankole Coffee Processors	24	1,980	0.64	95.41
18	Nakana Coffee Factory Ltd	14	1,680	0.54	95.95
19	Ankole Coffee Producers	18	1,620	0.52	96.47
20	Karaz Coffee Factory	30	1,350	0.43	96.90
21	Job Coffee Ltd	15	1,302	0.42	97.32
22	Banyankole Kweterana	23	1,294	0.42	97.73
23	Gumutindo coffee Coop	22	1,280	0.41	98.14
24	Fairlop Global Commodities	25	1,070	0.34	98.48
25	Bakhsons Trading Co. Ltd	-	1,020	0.33	98.81
26	Bakwanye Trading Co Ltd	28	960	0.31	99.12
27	Kaweri Coffee Plantation	16	720	0.23	99.35
28	Sana indo (U) Ltd	29	710	0.23	99.58
29	Mbale Importers & Exporters	26	660	0.21	99.79
30	Wabulungu Mult-purpose	20	654	0.21	100.00

3.0 LOCAL SITUATION

During the month, farm gate prices were in the range of: Shs. 1,800 – 2,000 per kilo of Kiboko (Robusta dry cherries); Shs. 3,800 – 4,000/= for FAQ; Arabica parchment was sold between shs.5,500/=-6,000/= per kilo. Drugar from Kasese was in the range of 4,100/=-4,500/= per Kilo.

4.0 GLOBAL SITUATION

Total global exports in February 2015 were 8.6 million bags, with exports for the first five months of coffee year 2014/15 (October to February) totalling 43.4 million bags , 1.2 million bags less than the same period in 2013/14.

The global total production estimate for coffee year 2014/15 is 141.9 million bags, a decrease of 3.3% from 2013/14. Consumption is estimated at 149.3 million bags in calendar year 2014, an increase of 2.3% from the previous year.

The ICO monthly average composite indicator price fell to US cents/lb 127.04 down from US cents 141.10 in February. This was the lowest monthly average since January 2014 as the uncertainty of the size of the upcoming 2015/16 Brazil crop continued to mount.

COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of March. Exports to EU countries totalled 215,569 bags accounting for 69.15% of total exports compared to 208,051 bags (71.62%) exported in February 2015. It was followed by Sudan with 50,684 bags (16.26%) compared to 36,250 bags (12.48%) and India with 10,804 bags (3.47%) compared to 2,595 (0.89%) exported in February 2015.

Table 4: Main Destinations of Uganda Coffee in March 2015

	Destination	Position held In February	QTY	%- Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**311,747**	**100.00**	
1	EU[1]	1	215,569	69.15	69.15
2	Sudan	2	50,684	16.26	85.41
3	India	9	10,804	3.47	88.87
4	Japan	7	8,160	2.62	91.49
5	USA	3	7,094	2.28	93.77
6	Singapore	-	6,308	2.02	95.79
7	Russia	11	2,594	0.83	96.62
8	Switzerland	4	2,530	0.81	97.43
9	China	8	2,440	0.78	98.22
10	Morocco	14	1,936	0.62	98.84
11	Korea	5	1,260	0.40	99.24
12	Cape Verde	-	668	0.21	99.45
13	UAE	-	640	0.21	99.66
14	Newzealand	-	440	0.14	99.80
15	Macedonia	-	320	0.10	99.90
16	South Africa	10	300	0.10	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in March 2015. The top 10 *buyers held a market share of 70.54% of the total exports lower than 72.86% in February 2015. Ecom Agro Industrial – 15.92% (8.70%), Sucafina – 12.51% (13.29%), Olam International –11.25% (11.85%), Aldwami Company 8.42% (5.18%), Altasheel 5.50% (6.27%), Bernhard Rothfos 4.57% (9.56%), Luigi Lavazza 3.61% (4.24%) Abaco International 3.26% (1.33%), Icona Cafe 2.93% (3.37%), and Falcon Commodities 2.57% (0.88%). Note: The figures in brackets represent percentage performance in the previous month – February 2015.*

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

	BUYERS	Position held in February	QTY 60-Kilo Bags	%-Age Market Share Individual	%-Age Market Share Cumulative
	GRAND TOTAL		**311,747**	**100.00**	
1	Ecom Agro Industrial	4	49,627	15.92	15.92
2	Sucafina	1	39,006	12.51	28.43
3	Olam International	2	35,080	11.25	39.68
4	Aldwami company	7	26,250	8.42	48.10
5	Altasheel	5	17,150	5.50	53.61
6	Bernhard Rothfos	3	14,253	4.57	58.18
7	Luigi Lavazza	9	11,260	3.61	61.79
8	Abaco International	16	10,150	3.26	65.05
9	Icona Café	10	9,130	2.93	67.97
10	Falcon Commodities	24	8,000	2.57	70.54
11	Strauss Commodities	8	7,848	2.52	73.06
12	Tata Coffee	-	6,986	2.24	75.30
13	Gollucke	12	6,300	2.02	77.32
14	Louis Dreyfus	-	5,823	1.87	79.19
15	Volcafe	15	5,700	1.83	81.02
16	Tropicore	19	5,270	1.69	82.71
17	Coffy Handels	-	4,900	1.57	84.28
18	Bercher coffee	17	4,720	1.51	85.79
19	Socadec	6	4,702	1.51	87.30
20	Hamburg Coffee	13	3,600	1.15	88.45
21	Industrial Coffee	-	3,300	1.06	89.51
22.	Guzman Global	14	2,394	0.77	90.28
23	Abu Asma	-	2,050	0.66	90.94
24	Coex Coffee	11	1,996	0.64	91.58
25	Westhoff	20	1,800	0.58	92.16
26	Others		24,452	7.84	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

6.1 Weather

Central Region

- The adverse weather which characterized the Month of February continued into the first half of March and affected coffee at all stages of growth and development in all parts of the Region. Berry abortion as well as pre-mature ripening was a common occurrence.
- Farmers were advised to practice appropriate technologies (drip irrigation) using Mineral water bottles.
- The dry weather condition drastically increased the severity and incidence of the Black Coffee Twig Borer. However, the last two weeks of the month experienced isolated rainfall showers favorable for kick starting the planting of coffee seedlings.

- The rain also triggered off another bout of flowering in the district districts of Masaka, Mukono, Kayunga, Luweero, Nakasongola and Buikwe. If the rains stabilize there is likely to be a good yield in the main harvesting season.

Western Region

- With near normal rains increasing intensity in the Mt Rwenzori region, Farmers are advised to start planting early enough.

- Mityana and Hoima sub regions started receiving rains mid - March. By end of month the rains increased to near normal to enable coffee planting and other crops. The coffee trees that had been stressed and starting to show signs of drying are beginning to recover.

Northern Region

- West Nile – the weather changed from dry to fairly wet with medium average rainfall to fairly heavy towards the last week of the month. This favored berry formation and thus reducing on abortion following the massive flowering seen in previous month including general recovery of field crop from the adverse weather condition encountered.

- Mid North - . The temperatures and traces of rainfall in the 4th week of the month. This impacted positively on surviving young coffee plants already showing signs of recovery from water stress. Flower abortion has been registered highest due to the longest dry spell ever received in the region.

Eastern Region

- The Districts in the Busoga region remained dry for the first two weeks of the month. Heavy showers were realized in the second half of the month.
- In Bugisu and Sebei sub-regions, all districts received heavy rainfall mid-month, characterized by thunderstorm and hailstorm that damaged bananas and coffee in some areas. Heavy flowering has been taking place across the sub – region.

South Western Region:

- The weather was generally dry for the 1st half of the month and rain showers commenced during the last half of the month covering the entire Region by end of the month. This enabled commencement of planting and recovery of the water stressed old coffee trees.

6.2 Generation of Coffee Planting Material

- 143 out of 145 mother gardens are at the stage of harvesting cuttings and 16 mother gardens have cuttings to sell to other mother gardens. This will be allocated in mid-April.
- 0.8 MT of Arabica seed was distributed to nursery operators.

6.3. Management of Diseases and Pest Out breaks.

- Spraying against Black Twig Borer continued during the month. However in some areas of Western and Eastern regions, the dry season delayed the start of the spraying exercise as the plants were generally stressed.
    - Sensitization on best agronomic practices including shade and coffee trees pruning as routine practice continued.
- In some areas of the Northern region, black-ants and tailor ants were seen in some coffee plantations.

- An outbreak of pest infestation occurred in Masaka and Mbarara.
    - A report presented by NaCORI Scientists identified the pests as;
      1. Rose bugs, (*Adoretus sp.*) - Masaka
      2. White waxy scales, (*Gascardia brevicauda)* - Mbarara

    - As further Research is being undertaken, the following recommendations were given to the farmers;
      MASAKA
        - The coffee plantations are kept weed-free, taking particular care to remove the weed (*Asystasia schimperi)* and any other alternate hosts of the beetles;
        - The coffee trees are sprayed with a strong contact insecticide (Malathion-8 is used elsewhere) to kill the adult beetles before they lay eggs.
        - Regular field inspection, and physical removal and destruction of adult beetles sighted in the tree canopy.

      MBARARA

        - Garbage from the market places is composted into organic manure before being applied to the coffee plantation;
        - Lower unproductive primary branches on coffee trees are trimmed off using a pair of secateurs in order to deny the attendant ants bridges by which they climb onto the trees;

- Mulching materials are placed at least 1 ft from the tree-trunk to avoid easy access of the attendant ants onto the trees;
- Regular de-suckering and pruning is carried out in order to deny scales tender shoots and bushy trees that creates a conducive environment for their (scales) rapid multiplication;
- Spray using IMAXI (should be bought from genuine input dealers) boosted by the addition of teepol (Omo or Nomi)

6.4. Coffee Distribution and Planting

- Sensitization Meetings were held with stake holders (OWC staff, CAO, RDC, DISO, and DAO and others). The purpose was to educate and train them on the new procedures of seedlings distribution and planting to harmonize the standing orders of procedures (SOP).The RDCS pledged support in form of mobilization and encouraging farmers to be prepared.
- Coffee planting scheduled to start in April

7. OUTLOOK FOR APRIL 2015

March exports are projected at 290,000 bags Harvesting in Central and Eastern regions ended. The harvesting of the main crop is due to start in the month of April.

8. *UPCOMING EVENTS*

<u>*21st - 22nd April 2015 : Generation AgriPreneur Summit and expo:* UMA show grounds, Lugogo</u>

This event that will be hosted by American Chamber of Commerce Uganda and US Embassy of Uganda, will bring together entrepreneurs in the agribusiness sector who will be equipped with access to expanded markets using information they will get by meeting over 100 exhibitors.

<u>27th April- 2nd May *2015: "Coffee on the Road" Promotion.*</u>

UCDA will carry out a "Coffee on the Road" promotion that will take in Kiruhura district where people will be served free coffee as they are sensitize them about the benefits of drinking coffee.

9th – 12th April 2015: Specialty Coffee Association of America (SCAA)

The SCAA 27th annual event will take place at Washington State convention Centre. There will be exhibitions, over 130 educational courses, and

supplemental events & activities, and the World Barista Championship and many other opportunities. At the same event Uganda’s barista champion will compete at the World Barista championships.
www.scaa.org

May – October 2015 : Milan Expo 2015
Uganda will participate in this Expo with the aim of promoting Ugandan coffee with more emphasis on Fine Robusta and Speciality.