UCDA MONTHLY REPORT FOR APRIL 2015

Highlights:

- *This is the seventh monthly report for the coffee year 2014/15. 264,065 60-kilo bags of coffee worth US $32.81 million were exported in April 2015 at an average weighted price of US $ 2.07 /kilo, 14.24% lower in volume and 5.28% higher in value compared to the same month last year.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 2,100/= per kilo; FAQ Shs.4,150 per kilo and Arabica parchment Shs.6,250 per kilo.*
- *Coffee exports for 12 months (May 2014 to April 2015) totalled 3.19m bags worth $406 million comprising of Robusta 2.46 million bags and Arabica 0.73 million bags.*
- Close to 40 million coffee seedlings were planted during the month bringing a *cumulative total of 76.4 million seedlings planted since October 2014.*
- *Over 80% of the total export volume was exported by 10 exporters out of 31 exporters who performed in the month.*
- *The ICO monthly average composite indicator price was US 129.02 cents/lb up from US cents 127.04 in March.*

Coffee exports in April amounted to 264,065-kilo bags worth US $ 32.81 million. This comprised 176,932 bags ($ 19.01 million) of Robusta and Arabica, 87,133 bags ($ 13.74 million)- *see Table 1.*

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

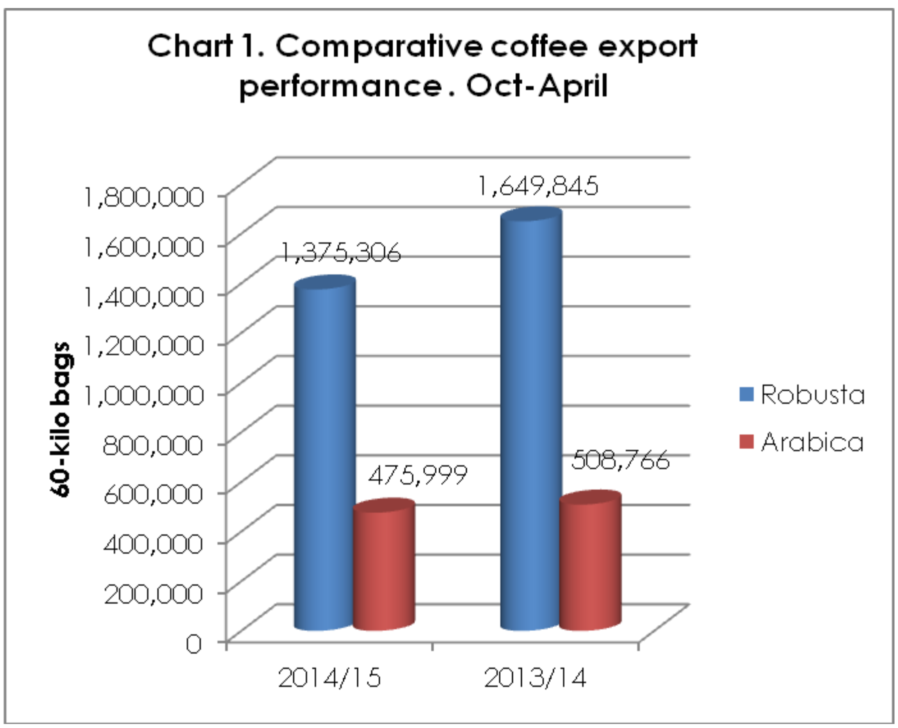
Coffee Year	2014/15		2013/14		%-age Change	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**1,587,240**	**207,480,332**	**1,825,875**	**187,757,415**	-14.24	5.28
Total Robusta	**1,198,374**	**134,737,681**	**1,419,977**	**139,267,713**	-16.64	-6.26
Total Arabica	**388,866**	**72,742,651**	**405,898**	**48,489,702**	-6.44	33.55
April	**264,065**	**32,805,613**	**332,635**	**40,486,180**	-20.61	-18.97
• Robusta	176,932	19,070,021	229,868	24,807,123	-23.03	-23.13
• Arabica	87,133	13,735,592	102,868	16,264,697	-15.30	-15.55
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 23.03% and 23.13% in volume and value respectively compared to the same period last year (2013/14), while Arabica exports decreased by 15.30% and 15.55 % in volume and value respectively compared to last year. Cumulatively, in spite of a decrease of a 14.24% drop in volume, there was a 5.28% increase value.

On a year-on-year basis, coffee exports for the period (May 2014-April 2015) totalled 3.19 million bags worth $406 million compared to 3.85 million bags worth US$426 million in the same period last year (May 2013 –APril 2014). This was a decrease of 17.14% and 4.69% 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 April 2015. Robusta exports accounted for 67% of total exports. The average Robusta price was US$ 1.80 per kilo, 4 cents lower than in March 2015. Washed Robusta fetched the highest price for Robusta at US$ 2.23 per kilo, followed by Organic Robusta and Robusta UTZ at US$ 2.03 per kilo, a premium of 31 and 11 cents respectively over Screen18. Arabica fetched a weighted average price of US$ 2.63 per kilo, US cents 34 lower than the previous month. The highest price was for Bugisu AA that was at US$ 3.34 per kilo. It was followed Organic Bugisu and Bugisu UTZ at US$ 3.33 per kilo. The weighted average export price was US $ 2.07.

Table 2: Coffee Exports by Type, Grade & Unit Price in April 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	**264,065**		**32,805,613**		**2.07**
ROBUSTA	**176,932**	**100.00**	**19,070,021**	**100.00**	**1.80**
-SUSTAINABLES					
- ORGANIC ROBUSTA	1,750	0.99	212,964	1.12	2.03
WASHED ROBUSTA	6,120	3.46	817,651	4.29	2.23
-ROBUSTA UTZ	350	0.20	42,593	0.22	2.03
SCREEN 18	33,723	19.06	3,879,431	20.34	1.92
SCREEN 15	61,789	34.92	6,944,721	36.42	1.87
SCREEN 12	25,186	14.23	2,666,638	13.98	1.76
BHP 1199	22,228	12.56	1,816,953	9.53	1.36
OTHER ROBUSTA	14,070	7.95	1,375,805	7.21	1.63
ARABICA	**87,133**	**100.00**	**13,735,592**	**100.00**	**2.63**
-SUSTAINABLES					
-ORGANIC BUGISU	1,080	1.24	215,716	1.57	3.33
-ORGANIC OKORO	2,520	2.89	493,337	3.59	3.26
-FULLY WASHED SIPI FALLS	600	0.69	119,048	0.87	3.31
-ORGANIC WUGAR	391	0.45	68,749	0.50	2.93
- MT ELGON A	7,650	8.78	1,361,595	9.91	2.97
-BUGISU UTZ	640	0.73	127,832	0.93	3.33
BUGISU AA	10,640	12.21	2,134,206	15.54	3.34
BUGISU A	1,000	1.15	175,557	1.28	2.93
BUGISU AB	3,680	4.22	632,203	4.60	2.86
BUGISU CPB	1,920	2.20	273,282	1.99	2.37
MIXED ARABICA	640	0.73	67,725	0.49	1.76
WUGAR	7,230	8.30	1,422,637	10.36	3.28
DRUGAR	42,362	48.62	6,057,225	44.10	2.38
OTHERS	6,780	7.78	586,480	4.27	1.44

*

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of April 2015 in terms of quantity and market share. Ugacof (U) Ltd maintained the highest market share of 16.54% compared to 18.00% for the previous month. It was followed by Kawacom (U) Ltd- 11.93% (16.54%); Kyagalanyi Coffee Ltd 9.79% (10.39%); Olam (U) Ltd- 9.52% (8.79%) and Ideal Commodities 8.31% (5.11%). The first 10 exporters held a market share of 80.80% lower than 82.15% in the previous month. *The figures in brackets represent percentage market share held in March 2015.*

Table 3: Export Performance by Individual Companies in April 2015

	Exporting Company	position held in March	Quantity Bags	%- age Market Share Individual	%- age Market Share Cumulative
	Grand Total		**264,065**	**100.00**	
1	Ugacof (U) Ltd	1	43,677	16.54	16.54
2	Kawacom (U) Ltd	2	31,516	11.93	28.48
3	Kyagalanyi Coffee Ltd	3	25,855	9.79	38.27
4	Olam (U) Ltd	4	25,131	9.52	47.78
5	Ideal Commodities	7	21,949	8.31	56.10
6	Export Trading	5	14,414	5.46	61.55
7	Kampala Domestic Store Ltd	14	13,808	5.23	66.78
8	Besmark Coffee CO. LTD	9	13,305	5.04	71.82
9	Ibero (U) Ltd	8	12,562	4.76	76.58
10	Great Lakes Coffee Ltd	6	11,149	4.22	80.80
11	Savannah Commodities	13	8,476	3.21	84.01
12	LD Commodities (U0 Ltd	11	8,107	3.07	87.08
13	Ishaka Quality Commodities	10	6,480	2.45	89.53
14	Kaweri Coffee Plantation	27	6,120	2.32	91.85
15	Risal a (U) Ltd	16	4,800	1.82	93.67
16	Commodity Solutions	12	2,722	1.03	94.70
17	Sena Indo (U) Ltd	28	2,056	0.78	95.48
18	Gumutindo Coffee Coop	23	1,530	0.58	96.06
19	Armajaro (U) Ltd	-	1,500	0.57	96.63
20	Ankole Coffee Producers	19	1,316	0.50	97.12
21	Bakhita Twase Produce Ltd	-	1,280	0.48	97.61
22	Banyankole Kweterana	22	1,000	0.38	97.99
23	Wabulungu Mult-purpose	30	960	0.36	98.35
24	Ankole Coffee Processors	17	934	0.35	98.71
25	Nakana Coffee Factory	18	680	0.26	98.96
26	Coffee World Ltd	-	668	0.25	99.22
27	Nile Highland Coffee Farm	-	640	0.24	99.22
28	Bukonzo Joint Coop	-	420	0.16	99.62
29	Kibinge Coffee Farmers Coop	-	360	0.14	99.75
30	Mbale importers and Exporters	29	330	0.12	99.88
31	Bakwanye Trading Co. Ltd	26	320	0.13	100.00

3.0 LOCAL SITUATION

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

4.0 GLOBAL SITUATION

Total global exports in March 2015 were 9.9 million bags, with exports for the first half of coffee year 2014/15 (October to March) totalling 53.1 million bags , 3.3% down compared to the same period in 2013/14.

The global total production for coffee year 2014/15 is still estimated at141.9 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 increased to US cents/lb 129.02 up from US cents 127.04 in March but coffee prices remained generally low.

COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of March. Exports to EU countries totalled 177,346 bags accounting for 67.16% of total exports compared to 215,569 bags (69.15%) exported in March 2015. It was followed by Sudan with 37,190 bags (14.08%) compared to 50,684 bags (16.24%) and India with 11,916 bags (4.51%) compared to 10,804 (3.47%) exported in March 2015.

Table 4: Main Destinations of Uganda Coffee in April 2015

	Destination	Position held In March	QTY	%- Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**264,065**	**100.00**	
1	EU[1]	1	177,346	67.16	67.16
2	Sudan	2	37,190	14.08	81.24
3	India	3	11,916	4.51	85.76
4	USA	5	9,071	3.44	89.19
5	Korea	11	7,194	2.72	91.92
6	Japan	4	5,210	1.97	93.89
7	Switzerland	8	4,290	1.62	95.51
8	Morocco	10	3,590	1.36	96.87
9	Russia	7	2,900	1.10	97.97
10	South Africa	16	2,240	0.85	98.82
11	China	9	1,884	0.71	99.53
12	Singapore	6	334	0.13	99.90
13	Australia	-	260	0.10	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in April 2015. The top 10 *buyers held a market share of 65.04% of the total exports lower than 70.54% in March 2015. Olam International – 13.25% (11.25%), Sucafina – 11.79% (12.51%), Ecom Agro Industrial – 10.76% (15.92%), Abaco International 6.62% (3.26%), Bernhard Rothfos 6.09% (4.57%), Icona Cafe 4.13% (2.93%), Altasheel 3.45% (5.50%) Luigi Lavazza 3.17% (3.61%), Aldwami Company 3.05% (8.42%), and Socadec 2.73% (1.51%). Note: The figures in brackets represent percentage performance in the previous month – March 2015.*

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

BUYERS	QTY	%-Age Market Share

		Position held in March	60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**264,065**	**100.00**	
1	Olam International	3	34,985	13.25	13.25
2	Sucafina	2	31,133	11.79	25.04
3	Ecom Agro Industrial	1	28,426	10.76	35.80
4	Abaco International	8	17,470	6.62	42.42
5	Bernhard Rothfos	6	16,082	6.09	48.51
6	Icona Café	9	10,912	4.13	52.64
7	Altasheel	5	9,100	3.45	56.09
8	Luigi Lavazza	7	8,384	3.17	59.26
9	Aldwami Company	4	8,050	3.05	62.31
10	Socadec	19	7,208	2.73	65.04
11	Falcon Commodities	10	6,400	2.42	67.46
12	Volcafe	15	5,700	2.16	69.62
13	Strauss Commodities	11	5,620	2.13	71.75
14	Bercher Consulting	18	4,930	1.87	73.62
15	Abu Asma	23	4,800	1.82	75.44
16	Westhoff	25	4,595	1.74	77.18
17	Coffy Handels	17	4,440	1.68	78.86
18	Tropcore	16	4,250	1.61	80.47
19	Gollucke	13	4,140	1.57	82.03
20	Tata coffee	12	3,509	1.33	83.36
21	Hamburg Coffee	20	2,875	1.09	84.45
22.	N.V Group	-	2,400	0.91	85.36
23	CCL Products	-	2,399	0.91	86.27
24	Tropical GMB	-	2,270	0.86	87.13
25	Supremo	-	2,140	0.81	87.94
26	Drucafe	-	2,100	0.80	88.73
27	Vayhan Coffee	-	2,100	0.80	89.53
28	Coex Coffee	24	2,028	0.77	90.30
29	Nespresso	-	1,920	0.73	91.03
30	Others		23,699	8.97	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

6.1 <u>Weather</u>

Central Region

The Month of April came with the continued onset of the first rains which started with isolated and poorly distributed drizzles but later intensified during the middle of the month. However, there were isolated cases of destructive rains in the Luweero Sub-Region.

The first rains were a relief in the Greater Masaka Sub-Region where the dry season had devastated the coffee plants especially the newly planted and the bearing ones.

The flowering of coffee that had started in the parts of the districts of Masaka, Mukono, Kayunga, Luweero, Nakasongola and Buikwe was favored by the rains.

However, the rains compromised the quality of the harvested coffee disrupting the drying of the coffee especially in the Greater Masaka Sub-Region

Western Region

Kyenjojo sub region & Ruwenzori sub regions (Kyenjojo, Kamwenge, Kyegegwa and Kabarole, Kasese, Ntoroko & Bundibugyo.

These regions experienced normal rainfall that has continued to increase its intensity in most parts of the region. Bundibugyo, Mountainous sub counties of Kasese and Ntoroko received more rains than any other part of the region. The low lands in Kasese and Kabarole continued to receive minimal rainfall below 800 ml.

Mityana and Hoima sub regions – (Mityana, Mubende, Kiboga, Kyankwanzi & Hoima, Kibaale, Bulisa, Kiryandongo and Masindi) these Districts continued to receive normal rains throughout the month April that enabled coffee planting. The coffee trees that had been stressed and near to drying had recovered.

Northern Region

The region has been experiencing heavy, stable and evenly distributed rainfall but with medium intensity throughout the region. Overall normal rainfall was experienced in the region during the month quite supportive to coffee planting and farmers are so far happy with positive responses from the plantings done.

Eastern Region

The weather in the Region was conducive for planting crops for the whole month. The rains have been steady and normal apart from an incident where Butaleja was badly hit by hailstorm.

The normal and steady rains have helped the coffee trees that were stressed by the dry weather to recover.

The rains will help the seedlings that survived the recent dry spell and the seedlings being distributed currently to establish very well.

South Western Region:

The weather was slightly dry in the 1st week of the month and became quite wet thereafter up to the end the month. This was conducive for coffee planting and it is hoped that much of the seedlings distributed to farmers shall establish well.

6.2 Generation of Coffee Planting Material

- The Contract Management Team for the FICA Tissue Culture Contract noticed that germination from the callus so far developed had just started with a few embryos and shoots beginning to show.
- However, it seemed to be slower than had been anticipated, due to the delays in getting the bioreactors.
- The original Work-Plan for the delivery of in-vitro plants was therefore revisited.
- Technical guidance continued on maintenance of mother bushes on ready stocked up old and the CWDr mother gardens

6.3 Management of Diseases and Pest Out breaks.

- A suspected pest attack similar to that of the Black Twig Borer was observed in Mt. Elgon Sub-region.
- As an intervention, scientists from NaCORI visited the entire sub-region to carry out a Rapid Rural Appraisal to identify the pest and possible control measures.
- It was established that the pests raising concern amongst the farmers were scarabid beetles identified as the yellow headed borer, *Dirphya (Nitocris) princeps* Jord. (Coleoptera, Scarabidae, Lamiidae) and the rose bug, *Adoretus sp.* (Coleoptera, Scarabidae, Rutelinae).
- Remedial proposals include Integrated Pest Management (IPM) packages for management of the yellow headed borer that combine use of phytosanitary, mechanical and chemical measures available. Farmers are advised to rely on use of strong contact insecticides such as malathion-8 to knock the bugs off the tree canopies.

6.4 Update on March to May 2015 Season Coffee Distribution and Planting

Zone	Districts	Seedlings Distributed by End of April 2015	Sub-Counties Served
Rwenzori	7	8,213,566	92
Bugisu	5	2,052,000	95
Acholi	5	57,700	38
Bukedi	6	50,000	
Kigezi	4	1,602,544	23
Teso			
Mengo	11	5,265,326	85
Ankole	10	5,007,006	132
Sebei	3	360,000	24
Bunyoro	5	1,241,487	59
Lango	8	110,162	27
Mubende	4	3,655,900	48
Masaka	8	8,069,820	60
Busoga	10	3,926,000	119
West Nile	6	223,342	24
Total	**92**	**39,834,853**	**826**

6.5 Participatory and Collaborative Extension

Nine (9) radio programmes in Luganda were aired concurrently on CBS, Namirembe while two (2) in Lumasaba were also aired on Open Gate during the Month. Emphasis was on disseminating information on the seedling distribution exercise highlighting roles of different actors in the supply chain-UCDA, Operational Wealth Creation (OWC), District Political and technical staff, nursery operators and farmers. Other aspects emphasized were on coffee quality enhancement and recommended practices in coffee establishment.

6.6 Coffee Documentary

A 4-man film crew from the Africa Channel TV visited the South Western Region during 1st –5th April 2014 with an aim of making a documentary promoting Uganda coffee, Tourism and Culture.

6.7 Familiarization Tour of Chairman UCDA Board

The Chairman of UCDA Board, Mr. Perez Bukumunhe accompanied by the Board Secretary, Mr. Andrew Lajul visited Northern Region from 7-10th April, as part of their Familiarization Tour which included, among others, visiting coffee Nurseries; Agronomy practices at farm level; Primary processing; Institutional linkages and possible missing gaps along the coffee value chain. The Districts visited included Zombo, Nwoya, Gulu, Lira, and Oyam.

6.8 National Coffee Policy Implementation workshop

The Minister of State for Agriculture, Hon. Vincent Sempijja opened a half day workshop at Mosa Court Apartments on Wednesday 22nd April 2015 to discuss modalities of implementing the National Coffee Policy. The workshop, sponsored by USAID-Feed the Future-Enabling Environment for Agriculture Activity (EEA) and organised by the National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE), was addressed by the USAID Chief of Party, Ms. Leslie Reed, the NUCAFE Board Charman, Hon. Gerald Sendaula, the Chairman, Agricultural Sectoral Committee of Parliament/MP Kakuuto, Hon. Matthias Kassamba who gave an insight on the Vitenamese experience, Ms. Anna Naturinda, a farmer from Kyangyenyi Coffee Farmers Association, Bushenyi District who shared about the farmers' experience in disseminating information on the gender dimension of the national coffee policy as well as Mr. Paul Nyakairu who shared on the USAID Feed the Future/EEA's advocacy programme. At the end of the workshop, a number of recommendations were advanced more prominently on the need to address: climatic change; low yields; and translating the National Coffee Policy into local languages to complement UCDA's/USAID's earlier intervention in developing and disseminating the popular versions of the National Coffee Policy in 10 local languages. UCDA was represented by the Principal Information Officer, Mr. James Kizito-Mayanja.

6.9 Promotion of domestic coffee consumption under the program- "Coffee on the Road"

Promotion was carried out in the districts of Buikwe, Jinja and Kamuli. Over 1,800 people of various categories (farmers, youth and elderly) tasted and appreciated the brewed coffee.

6.10 Generation AgriPreneur Summit and expo: UMA show grounds, Lugogo

UCDA participated in 2-day American Chamber of Commerce exhibition at UMA show grounds. This event hosted by American Chamber of Commerce and US Embassy in Uganda, brought together entrepreneurs in the agribusiness sector. This was used as a platform to promote coffee activities.

6.11 Specialty Coffee Association of America conference and exhibition

UCDA participated in the Specialty Coffee Association of America conference and exhibition that took place in Washington, USA- Uganda coffee was promoted at the event through exhibiting, cupping, serving coffee and disseminating information.

6.12 World Barista Championship

Alongside the SCAA conference, the National Barista champion, Mr. Mark Okuta competed at World Barista Championship and emerged in the 39th position with 442.5 points. Through this event, Ugandan coffees especially the specialty and fine Robusta were showcased.

7.0 OUTLOOK FOR MAY 2015

May exports are projected at 280,000 bags as harvesting of the main season in Masaka and Southern Regions begins. Harvesting of the fly crop in Central and Eastern regions which was affected by the dry spell has ended.

8.0 UPCOMING EVENTS

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

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

Elementary basic quality control training will be conducted in Kyenjojo,Kamwenge,Kabarole from25th to29th May 2015.

29th May-5th June 2015 Trade show in Mbale

UCDA will participate in the UMA trade fair in Mbale. The general public is invited to come and learn new developments in the coffee sector as they enjoy a nice cup of coffee.

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 coffees.

16 - 18 June 2015 Gothenburg, Sweden

The Speciality coffee world will be gathering in Gothenburg from 16 - 18 June 2015. It will be an opportunity to connect with top baristas, roasters, coffee lovers and key players in the coffee industry from around the world.
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