UCDA MONTHLY REPORT FOR DECEMBER 2014

Highlights:

- *This is the third monthly report for the coffee year 2014/15. 224,803 60-kilo bags of coffee worth US $29.78 million were exported in December 2014 at an average weighted price of US $ 2.21 /kilo.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 2,100/= per kilo; FAQ Shs.4,200 per kilo and Arabica parchment Shs.6,250 per kilo.*
- *Coffee exports for 12 months January 2014 to December 2014) totalled 3.44m bags worth $409 million comprising of Robusta 2.70 million bags and Arabica 0.74 million bags.*
- *In the month of November a total of 0.781 million Seedlings were planted, bringing total seedlings planted for the Coffee Year to 35.614 million benefitting 214,775 Households.*
- *Over 78% of the total export volume was exported by 10 exporters, out of 29 exporters who performed in the month same as the previous month.*
- *The ICO monthly average composite indicator price was US 150.66 cents/lb down from US cents 162.17 in November 2014.*

Coffee exports in December 2014 amounted to 224,803-kilo bags worth US $ 29.78 million. This comprised 176,711 bags ($ 20.62 million) of Robusta and Arabica, 48,092 bags ($ 9.16 million)- *see Table 1.*

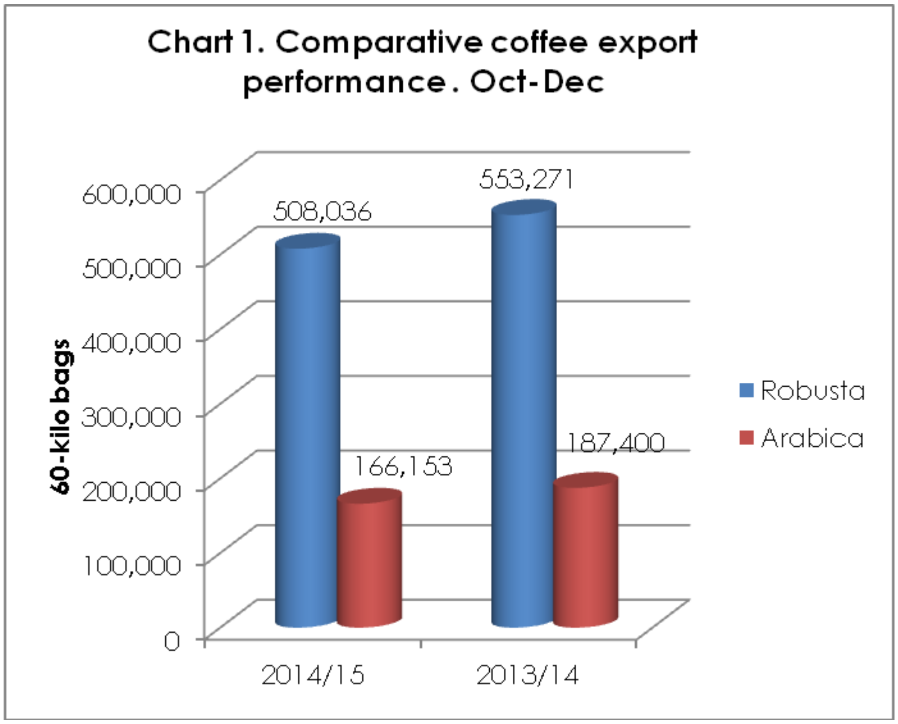
Table1: Comparative Coffee Export Performance – 60-kilo bags; US$

Coffee Year	2014/15		2013/14		%-age Change	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**674,189**	**89,941,011**	**731,671**	**74,605,617**	**-7.86**	**20.56**
Total Robusta	**508,036**	**58,104,491**	**544,271**	**53,436,147**	-6.66	8.74
Total Arabica	**166,153**	**31,836,520**	**187,400**	**21,169,470**	-11.34	50.39
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 12.38% in volume and increased by 8.51% in terms of value compared to the same period last year 2013/14. Similarly, Arabica exports decreased by 13.669% in volume and increased by 47.37 % in value compared to last year.

On a year-on-year basis, coffee exports for calendar year 2014 totalled 3.44 million bags worth $409 million compared to 3.67 million bags worth US$424 million in calendar 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 December 2014. The weighted average export price was US $ 2.21. Robusta exports accounted for 79% of total exports. The average Robusta price was US$ 1.94 per kilo, US$ 0.06 higher than in November 2014. Screen 17 fetched the highest price for Robusta at US$ 2.45 per kilo, followed by Washed Robusta at US$ 2.09 per kilo. Arabica fetched a weighted average price of US$ 3.17 per kilo, US$ 0.01 higher than the previous month. The highest price was for sustainable fully washed Sipi falls which was at US$ 4.19 per kilo followed by Mt Elgon A at US$ 3.82 per kilo.

Table 2: Coffee Exports by Type, Grade & Unit Price in December 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	**224,803**		**29,778,184**		**2.21**
ROBUSTA	**176,711**	**100.00**	**20,621,224**	**100.00**	**1.94**
-SUSTAINABLES					
- ORGANIC ROBUSTA	1,340	0.76	168,387	0.82	2.09
SCREEN 18	17,700	10.02	2,157,645	10,46	2.03
SCREEN 17	9,850	5.57	1,447,390	7.02	2.45
SCREEN 15	88,813	50.26	10,495,519	50.90	1.97
SREEN 14	990	0.56	91,667	0.44	1.54
SCREEN 12	42,104	23.83	4,768,272	23.12	1.89
BHP 1199	8,230	4.66	703,431	3.41	1.42
OTHER ROBUSTA	7,684	4.35	788,913	3.83	1.71
ARABICA	**48,092**	**100.00**	**9,156,960**	**100.00**	**3.17**
-SUSTAINABLES					
-MT ELGON A	1,340	2.79	306,880	3.35	3.82
-ORGANIC BUGISU	1,765	3.67	378,342	4.13	3.57
-BUGISU A+	1,040	2.16	154,181	1.68	2.47
-FULLY WASHED SIPI FALLS	1,860	3.87	467,463	5.11	4.19
-ORGANIC WUGAR	640	1.33	112,860	1.23	2.94
BUGISUAA	6,150	12.79	1,293,534	14.13	3.51
BUGISU A	980	2.04	193,123	2.11	3.28
BUGISU AB	7,000	14.56	1,538,729	16.80	3.66
BUGISU PB	720	1.50	161,811	1.77	3.75
WUGAR	1,720	3.58	332,074	3.63	3.22
DRUGAR	19,417	40.37	3,620,958	39.54	3.11
OTHERS	5,140	10.69	528,747	5.77	1.71

*

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of December 2014 in terms of quantity and market share. Ugacof (U) Ltd held the highest market share of 17.43% (13.03%), followed by Kawacom (U) Ltd- 16.23% (5.23%); Ibero (U) Ltd 10.72% (9.83%); Ideal Commodities- 8.33% (9.15%) and Export Trading Co. (U) Ltd 6.33% (8.05%). The first 10 exporters held a market share of 78.72% higher than 75.36% in the previous month. *The figures in brackets represent percentage market share held in November 2014.*

Table 3: Export Performance by Individual Companies in December 2014

	Exporting Company	position held in November	Quantity Bags	%- age Market Share Individual	Cumulative
	Grand Total		**224,803**	**100.00**	
1	Ugacof (U) Ltd	1	39,174	17.43	17.43
2	Kawacom (U) Ltd	8	36,477	16.23	33.65
3	Ibero (U) Ltd	2	24,094	10.72	44.34
4	Ideal Commodities (U) Ltd	4	18,728	8.33	52.70
5	Export Trading Co. (U) Ltd	6	14,230	6.33	59.03
6	Kampala Domestic Store Ltd	5	13,220	5.88	64.91
7	Kyagalanyi Coffee Ltd	3	12,380	5.51	70.42
8	Besmark Coffee Co. Ltd	7	9,930	4.42	74.84
9	Great Lakes Coffee Ltd	9	8,740	3.89	78.72

10	Ishaka Quality Commodities	11	8,290	3.89	78.72
11	Job Coffee Ltd	13	5,316	2.36	84.78
12	Savannah Commodities	12	4,544	2.02	86.80
13	Olam (U) Ltd	10	3,960	1.76	88.56
14	Wabulungu Multi-purpose	20	2,972	1.32	89.88
15	Commodity Solutions	14	2,970	1.32	91.20
16	Risala (U) Ltd	16	2,900	1.29	92.49
17	Kamba Petroleum	15	2,684	1.19	93.69
18	Armajaro (U) Ltd	19	2,480	1.10	94.79
19	Ankole Coffee processors	24	2,110	0.94	95.73
20	Mbale Importers & Exporters	18	1,650	0.73	96.46
21	Fairlop Global Commodities	-	1,380	0.61	97.08
22	Nakana Coffee Factory	21	1,334	0.59	97.67
23	Ankole Coffee Producers	22	1,320	0.59	98.26
24	Gumutindo coffee coop Ltd	25	1,280	0.57	98.83
25	Bukonzo Joint Coop	26	960	0.43	99.25
25	Bakwanye Trading Company	-	720	0.32	99.57
27	Banyankole Kweterana Coop	23	320	0.41	99.72
28	Nucafe coffee Farmers Ltd	30	320	0.14	99.86
29	Sena Indo (U) Ltd	-	320	0.14	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 – 4,400/= for FAQ; Arabica parchment was sold between shs.6,000/=-6,500/= per kilo. Drugar from Kasese was in the range of 6,500/=-6,800/= per Kilo.

4.0 GLOBAL SITUATION

Total global exports in November 2014 were 7.9 million bags, slightly less than the 8 million bags exported in November 2013 with total exports for the first two months of coffee year 2014/15 (October and November) unchanged on the previous year at 16.8 million bags.

The global total production estimate for coffee year 2013/14 has been revised upwards to 146.8 million bags while production for 2014/15 is provisionally estimated at around 141.4 million bags, a projected decrease of 3.6% decrease from 2013/14. 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 150.66 down from US cents 162.17 in November. This was the lowest monthly average since February 2014, as a market response to Several reports that forecast an increase in production in the next year, with sufficient stocks available to cover the shortfall in 2014/15.

COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of December 2014. Exports to EU countries totalled 163, 423 bags accounting for 72.70% of total exports compared to 139,913 bags (63.61%) exported in November 2014.

It was followed by Sudan with 33,240 bags (14.79%) compared to 32,698 bags (14.87%) and USA with 5,320 bags (2.37%) compared to 14,390 (6.54%) exported in November 2014. *The figures in brackets represent percentage performance in the previous month – November 2014. Increasing exports to Korea and Singapore are noted which is reflected in favourable positions compared to the previous month.*

Table 4: Main Destinations of Uganda Coffee in December 2014

	Destination	Position held In November	QTY	%- Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**224,803**	**100.00**	
1	EU[1]	1	163,423	72.70	72.70
2	Sudan	2	33,240	14.79	87.48
3	USA	3	5,320	2.37	89.85
4	Singapore	11	4,916	2.19	92.04
5	Korea	12	3,102	1.38	93.42
6	India	9	3,000	1.33	94.75
7	Russia	7	2,264	1.01	95.76
8	South Africa	8	1,920	0.85	96.61
9	Israel	6	1,600	0.71	97.32
10	Japan	10	1,500	0.67	97.99
11	China	15	1,310	0.58	98.57
12	Morocco	5	1,280	0.57	99.14
13	Switzerland	4	668	0.30	99.44
14	Australia	14	320	0.14	99.58
15	Canada	-	320	0.14	99.72
16	Newzea Land	16	320	0.14	99.87
17	Kenya	13	300	0.13	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in December 2014. The top 10 *buyers held a market share of 71.74% of the total exports higher than 69.09% in November, 2014. Sucafina – 16.25% (12.73%), Ecom Agro Industrial – 13.57% (5.78%), Bernhard Rothfos –10.72% (12.80%), Altasheel 9.01% (7.00%), Olam International 5.56% (8.84%), Aldwami Co. 5.14% (5.57%), Icona Cafe. 3.83% (0.61%) Bercher Consulting Co. 3.05% (2.33%), Cofftea Co. 2.34 %, and Falcon Commodities 2.28%. 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 – November 2014.*

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

BUYERS	Position	QTY	%-Age Market Share	
		60-Kilo Bags	Individual	Cumulative

[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.

		held in November			
	GRAND TOTAL		**224,803**	**100.00**	
1	Sucafina	2	36,538	16.25	16.25
2	Ecom Agro Industrial	6	30,517	13.57	29.83
3	Bernhard Rothfos	1	24,094	10.72	40.55
4	Altasheel	4	20,250	9.01	49.55
5	Olam International	3	12,508	5.56	55.12
6	Aldwami Co	7	11,550	5.14	60.26
7	Icona Café	11	8,604	3.83	64.08
8	Bercher Consulting co.	13	6,846	3.05	67.13
9	Cofftea Co.	-	5,250	2.34	69.46
10	Falcon Commodities	12	5,120	2.28	71.74
11	Koninklij	14	4,320	1.92	73.66
12	Socadec	9	4,308	1.92	75.58
13	Abaco International	10	3,500	1.56	77.14
14	Commodity Supplies	-	3,294	1.47	78.60
15	CCL Products	18	3,000	1.33	79.94
16	Louis Dreyfus	15	2,922	1.30	81.24
17	Abu Asma	-	2,900	1.29	82.53
18	Strauss Commodities	5	2,890	1.29	83.81
19	Volcafe	22	2,620	1.17	84.98
20	Namyang	-	2,400	1.07	86.04
21	Luigi Lavazza	-	2,330	1.04	87.08
22.	Norddeuts	-	2,100	0.93	88.02
23	Guzman Global	-	2,040	0.91	88.92
24	Integrano	-	2,020	0.90	89.82
25	Coex Coffee	-	1,738	0.77	90.59
26	Soubhy Nackely	-	1,600	0.71	91.31
27	Others		19,544	8.69	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

6.1 Weather

Central Region

- The month was generally hot and dry although there were a few scattered showers in Greater Mpigi during the first two weeks and some heavy rains in parts of the Greater Masaka during the Christmas season.
  This weather condition triggered off more coffee ripening in the Region and speeded up the drying process for harvested coffee. Although moderate Coffee flowering andfruit formation took place in some isolated areas of the Region, it was evident that the

moisture was not adequate to support them sufficiently hence berry abortion was inevitable.

Western Region

- Kyenjojo, Bunyoro and Rwenzori sub regions were generally hot and dry. Scanty drizzles were however received. Kasese district was generally hot and dry. No reported loss or drying of newly planted coffee.
- The Arabica crop has been short; however the fly crop is expected to be above average in crop volume.

Northern Region

The month remained dry with light showers experienced in the first and fourth week of the month which was not evenly distributed in time and space. The dry weather facilitated drying of coffee and showers of rains facilitated flower bloom. The coffee plants were comparatively performing well with high survival rates and the expected yields are promising.

Eastern Region

- In Busoga sub-region, it was a relatively dry, with occasional showers in some places. Coffee ripening and drying were favored by the dry weather conditions. In Sebei sub-region, it was characterized by dry and windy conditions with isolated cases of rainfall mainly in areas bordering the national park. In Bugisu sub-region, Sironko, Bududa and Bulamubuli, received some rainfall compared to Mbale and Manafwa. Cases of hailstorm and wind were reported in these districts that devastated the coffee crop which was ripening by stripping the cherry to the ground.
- This year's crop is small in volume in Busoga sub region. As a result, there is stiff competition for the scarce crop by the trade. In Mt. Elgon however, the harvest is said to be good. Currently, the season has shifted to the higher altitude areas as the lower altitude areas are getting depleted of the crop. It's expected that harvesting season at higher altitude areas will go on till February 2015.

South - Western

- The weather changed slightly from heavy rains early in the month to light rains and/or completely dry in some parts of the region by mid-month. Heavy showers were however received across entire the region during the Christmas period. This provided the planted seedlings the needed moisture establishment to enable good root development to sustain the expected January-February 2015 dry spell.

6.2 Generation of Coffee Planting Material

- Technical guidance continued on maintenance of CWD-R mother gardens. 8,500 Seedlings available from other established mother gardens. This will be distributed in March 2015.
- 11.1 MT of Robusta and Arabica seed was distributed to Nursery operators

6.3 Coffee Planting

- A total of 0.781 million seedlings was planted by farmers/farmer groups, mainly in South -Western benefiting a total of 3,915 households. This brings total seedlings planted for the Coffee Year to 35.614 million benefitting 214,775 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 after harvesting is competed.
  - 20 Motorized spray pumps were distributed and are to be used for more effective spray impact as well as speeding up the exercise.
  - Continued sensitization of farmers and stakeholders through Radio is ongoing.

6.5 Technical Extension Services and Quality Improvement.

- A taskforce was formulated to carry out a coffee quality enhancement campaign in West Nile sub Region. The taskforce had the following major objectives:-
  - i. To assess the harvesting practices and post - harvest handling methods employed by sector players
  - ii. To educate the sector players on the recommended practices for harvesting and post- harvest handling
  - iii. To enforce the Coffee Regulations, 1994
- Sensitization of coffee processors, coffee buyers and farmers was carried out in all the regions

7.0 Coffee Production Campaign.

Home is the best summit 2014 - Gulu:

- Uganda Coffee Development Authority participated in the 7th Home is Best Summit 2014 – Gulu under the Theme***: Stimulating and Accelerating Investment Opportunities through Local and Diaspora Synergies.*** The exhibition and summit were organized by Uganda Investment Authority (UIA) in partnership with the private sector and the Ugandan Government to drive national economic growth and development with the aim of promoting and facilitating private sector investments in Uganda. The exhibition took place in Pece Stadium, Gulu from 15th to 19th December, 2014, and was closed by Hon. Minister of Disaster Preparedness Eng. Hillary Onek. This year's Home is Best Summit was able to showcase that Northern Uganda as a viable and potential investment location. It was noted that the Summit will change the stereotype notion that Northern Uganda is war ravaged and unsafe. The outcomes of this summit will greatly enhance and contribute towards the achievement of the National Peace, Recovery and Development Plan for Northern Uganda, (PRDP).

The Guest of Honor Hon Dr. James Mutende, State Minister of Trade tasting a cup of coffee at the UCDA stall.

Coffee on the Road campaign

As part of UCDA's program to promote local coffee consumption, UCDA carried out a Coffee on the Road campaign in Iganga, Luuka and Kayunga. Over 300 people turned up and were given information regarding the benefits of drinking coffee in addition to serving them free coffee.

Farmer training in Hoima and Kagadi

In order to improve the quality of coffee in the area, UCDA carried out a farmer training in the districts of Hoima and Kagadi during the month of December 2014. The training was hinged on good harvesting and post harvest training practices. A total of 125 farmers were trained.

8.0 OUTLOOK FOR January 2014

January exports are projected at 230,000 bags. The dry season in most parts of the country continue to facilitate drying of the harvested coffee.

UPCOMING EVENTS

19th January -20th March 2015, UCDA Lugogo. Basic Quality control course:

UCDA will conduct a course in Basic Quality control to enhance skills in grading, roasting, brewing and cupping. This course will be targeting players in the coffee industry. 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