UCDA MONTHLY REPORT FOR JANUARY 2015

Highlights:

- *This is the fourth monthly report for the coffee year 2014/15. 310,829 60-kilo bags of coffee worth US $39.70 million were exported in January 2015 at an average weighted price of US $ 2.13 /kilo, a 2.59% lower in volume and 2.20% 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.6,050 per kilo.*
- *Coffee exports for 12 months (February 2014 to January 2015) totalled 3.36m bags worth $411 million comprising of Robusta 2.62 million bags and Arabica 0.74 million bags.*
- *A cumulative total of 36.614 million seedlings have been planted since October 2014 benefitting 214,775 Households.*
- *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 148.24 cents/lb down from US cents 150.66 in December 2014.*

Coffee exports in January amounted to 310,829-kilo bags worth US $ 39.70 million. This comprised 245,066 bags ($ 27.12 million) of Robusta and Arabica, 65,763 bags ($ 12.58 million)- *see Table 1.*

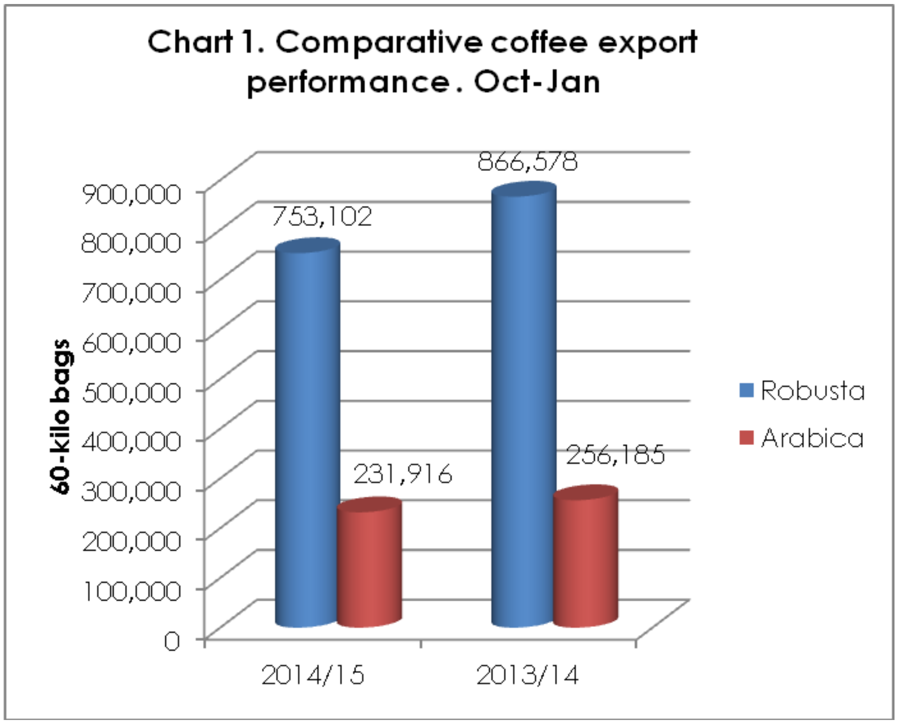
Table1: Comparative Coffee Export Performance – 60-kilo bags; US$

Coffee Year	2014/15		2013/14		%-age Change	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**985,018**	**129,640,670**	**1,122,763**	**113,452,308**	**-12.27**	**14.27**
Total Robusta	**753,102**	**85,220,550**	**866,578**	**84,297,888**	-13.09	1.09
Total Arabica	**231,916**	**44,420,121**	**256,185**	**29,154,420**	-9.47	52.36
January	**310,829**	**39,699,660**	**319,092**	**38,846,691**	**-2.59**	**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 23.97% and 12.14% in volume and value respectively compared to the same period last year 2013/14, while Arabica exports decreased by 4.39% in volume and increased by 57.59 % in value compared to last year.

On a year-on-year basis, coffee exports for the period (February 2014-January 2015) totalled 3.36 million bags worth $411 million compared to 3.72 million bags worth US$421 million in the same period last year (February 2013 – January 2014).

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 January 2015. Robusta exports accounted for 79% of total exports. The average Robusta price was US$ 1.84 per kilo, US$ 0.10 lower than in December 2014. Washed Robusta fetched the highest price for Robusta at US$ 2.13 per kilo, followed by Organic Robusta at US$ 2.09 per kilo. Arabica fetched a weighted average price of US$ 3.19 per kilo, US cents 2 higher than the previous month. The highest price was for Sustainable Fully Washed Sipi Falls which was at US$ 4.26 per kilo followed by Mt Elgon A+ at US$ 4.08 per kilo. The weighted average export price was US $ 2.13.

Table 2: Coffee Exports by Type, Grade & Unit Price in January 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	**310,829**		**39,699,660**		**2.13**
ROBUSTA	**245,066**	**100.00**	**27,116,059**	**100.00**	**1.84**
-SUSTAINABLES					
- ORGANIC ROBUSTA	2,110	0.86	265,147	0.98	2.09
WASHED ROBUSTA	1,325	0.54	169,611	0.63	2.13
SCREEN 18	22,542	9.20	2,637,020	9.72	1.95
SCREEN 17	8,040	3.28	910,720	3.36	1.89
SCREEN 15	131,524	53.67	14,807,794	54.61	1.88
SCREEN 12	58,722	23.98	6,451,438	23.79	1.83
BHP 1199	10,691	4.36	880.785	3.25	1.37
OTHER ROBUSTA	10,062	4.11	993,544	3.66	1.65
ARABICA	**65,763**	**100.00**	**12,583,601**	**100.00**	**3.19**
-SUSTAINABLES					
-ORGANIC BUGISU	1,280	1.95	279,367	2.22	3.64
-ORGANIC OKORO	2,040	3.10	367,621	2.92	3.00
-FULLY WASHED SIPI FALLS	2,650	4.03	676,922	5.38	4.26
-OKORO AB	960	1.46	204,776	1.63	3.56
-BUGISU A+	1,720	2.62	357,513	2.84	3.46
-MT ELGON A+	320	0.49	78,307	0.62	4.08
- MT ELGON A	2,580	3.92	562,212	1.23	3.63
BUGISUAA	7,510	11.42	1,578,720	12.55	3.50
BUGISU A	830	1.26	166,932	1.33	3.35
BUGISU AB	7,180	10.92	1,457,803	11.58	3.38
BUGISU CPB	640	0.97	122,752	0.98	3.20
WUGAR	4,050	6.16	722,313	5.74	2.97
DRUGAR	30,743	46.75	5,668,914	45.05	3.07
OTHERS	3,260	4.96	339,447	2.70	1.74

*

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of January 2015 in terms of quantity and market share. Ugacof (U) Ltd held the highest market share of 19.20% (17.43%), followed by Kawacom (U) Ltd- 11.41% (16.23%); Kyagalanyi Coffee Ltd 10.67% (5.51%); Ideal Commodities- 7.02% (8.33%) and Ibero (U) Ltd 6.92% (10.72%). The first 10 exporters held a market share of 80.24% higher than 78.72% in the previous month. *The figures in brackets represent percentage market share held in December 2014.*

Table 3: Export Performance by Individual Companies in January 2015

	Exporting Company	position held in December	Quantity Bags	%- age Market Share Individual	Cumulative
	Grand Total		**224,803**	**100.00**	
1	Ugacof (U) Ltd	1	59,686	19.20	19.20
2	Kawacom (U) Ltd	2	35,480	11.41	30.62
3	Kyagalanyi Coffee Ltd	7	33,150	10.67	41.28
4	Ideal Commodities (U) Ltd	4	21,832	7.02	48.31
5	Ibero (U) Ltd	3	21,509	6.92	55.23
6	Kampala Domestic Store Ltd	5	20,140	6.48	61.70
7	Besmark Coffee Co. Ltd	8	15,669	5.04	66.75
8	Olam (U) Ltd	13	15,176	4.88	71.63
9	Export Trading Co. Ltd	5	14,940	4.81	76.43
10	Savannah Commodities Co. Ltd	12	11,830	3.81	80.24
11	Ishaka Quality Commodities Ltd	10	11,460	3.69	83.93
12	Great Lakes Coffee Ltd	9	10,828	3.48	87.41
13	Commodity Solutions	15	9,474	3.05	90.46
14	Job Coffee Ltd	11	6,668	2.15	92.60
15	Ankole Coffee Producers	23	2,900	0.93	93.54
16	Ankole Coffee Processors	19	2,424	0.78	94.32
17	Fairlop Global Commodities	21	2,330	0.75	95.07
18	Karaz Coffee Factory	-	2,084	0.67	95.74
19	Risala (U) Ltd	16	1,950	0.63	96.36
20	Wabulungu Multi purpose	14	1,920	0.62	96.98
21	LD Commodities (U) Ltd	-	1,404	0.45	97.43
22	Kaweri Coffee Plantation	-	1,325	0.43	97.86
23	Kamba Petroleum Co. Ltd	17	1,294	0.42	98.28
24	Gumutindo coffee coop Ltd	24	1,280	0.41	98.69
25	Nakana Coffee Factroy22	22	1,028	0.33	99.34
25	Banyankole Kweterana Coop	27	988	0.32	99.34
27	Sena Indo (U) Ltd	29	700	0.23	99.56
28	Kibinge Farmers Coop	-	360	0.12	99.68
29	Bakhsons Trading Co. Ltd	-	350	0.11	99.79
30	Mbale Importers & Exporters	20	330	0.11	99.90
31	Katuka Development Trust	-	320	0.10	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.5,800/=-6,300/= per kilo. Drugar from Kasese was in the range of 6,500/=-7,000/= per Kilo.

4.0 GLOBAL SITUATION

Total global exports in December 2014 were 8.9 million bags, with total exports for the first three months of coffee year 2014/15 (October to December) 25.4 million bags 0.8% lower than same period last year.

World exports in calendar year 2014 were 111.7 million bags compared to 111.1 million bags in calendar year 2013. Shipments from Brazil and Vietnam increased significantly which countered decline in exports from Indonesia and Central America whose production was affected by the coffee leaf rust (*roya*).

The global total production estimate for coffee year 2013/14 is 146.9 million bags while production for 2014/15 is provisionally estimated at around 141.6 million bags, a projected decrease of 3.6% decrease from 2013/14. Consumption is estimated at 146.1 million bags in calendar year 2013, an increase of 2.1% from the previous year.

The ICO monthly average composite indicator price decreased to US cents/lb 148.24 down from US cents 150.66 in December. This was the lowest monthly average since February 2014. The prices went down on account of favourable rain forecasts in Brazil.

COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of January. Exports to EU countries totalled 215,319 bags accounting for 69.27% of total exports compared to 163,423 bags (72.70%) exported in December 2014. It was followed by Sudan with 60,020 bags (19.31%) compared to 33,240 bags (14.79%) and USA with 8,520 bags (2.74%) compared to 5,320 (2.37%) exported in December 2014.

Table 4: Main Destinations of Uganda Coffee in January 2015

	Destination	Position held In December	QTY	%- Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**310,829**	**100.00**	
1	EU[1]	1	215,319	69.27	69.27
2	Sudan	2	60,020	19.31	88.58
3	USA	3	8,520	2.74	91.32
4	Singapore	4	8,038	2.59	93.91
5	Japan	10	4,800	1.54	95.45
6	South Africa	8	2,836	0.91	96.37
7	Morocco	12	2,630	0.85	97.21
8	Switzerland	13	2,588	0.83	98.04
9	India	6	1,550	0.50	98.54
10	Korea	5	988	0.31	98.86
11	Russia	7	980	0.32	99.18
12	Australia	14	960	0.31	99.49
13	China	11	640	0.21	99.69
14	New Zealand	16	340	0.11	99.80
15	Ukraine	-	320	0.10	99.90
16	Taiwan	-	300	0.10	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in January 2015. The top 10 *buyers held a market share of 68.90% of the total exports lower than 71.74% in December, 2014. Sucafina – 19.07% (16.25%), Ecom Agro Industrial – 8.81% (13.57%), Olam International –8.73% (5.56%), Altasheel 7.66% (9.01%), Bernhard Rothfos 6.92% (10.72%), Aldwami Co. 5.97% (5.14%), Cofftea Trading 4.28% (2.34%) Strauss commodities 2.68% (1.29%), Icona Cafe 2.46% (3.83%), and Socadec 2.33% (1.92%). Note: The figures in brackets represent percentage performance in the previous month – December 2014.*

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

	BUYERS	Position held in December	QTY 60-Kilo Bags	%-Age Market Share Individual	 Cumulative
	GRAND TOTAL		**310,829**	**100.00**	
1	Sucafina	1	59,264	19.07	19.07
2	Ecom Agro Industrial	2	27,370	8.81	27.87
3	Olam International	5	27,142	8.73	36.60
4	Altasheel	4	23,800	7.66	44.26
5	Bernhard Rothfos	3	21,509	6.92	51.18
6	Aldwami Co	6	18,550	5.97	57.15
7	Cofftea Trading	9	13,300	4.28	61.43
8	Strauss Commodities	18	8,320	2.68	64.10
9	Icona Café	7	7,658	2.46	66.57
10	Socadec	12	7,248	2.33	68.90
11	Bercher	8	7,122	2.29	71.19
12	Abaco International	13	7,000	2.25	73.44
13	Luigi Lavazza	21	6,664	2.14	75.59
14	Falcon Commodities	10	5,440	1.75	77.34
15	Westhoff	-	5,024	1.62	78.95
16	Guzman Global	23	4,744	1.53	80.48
17	Al-mathahib	-	4,550	1.46	81.94
18	Coex Coffee	25	4,482	1.44	83.39
19	Koninklij	11	3,480	1.12	84.51
20	Volcafe	19	3,200	1.03	85.53
21	Gebre West	-	3,057	0.98	87.48
22.	Tropicore	-	3,000	0.97	87.48
23	Gollucke	-	2,450	0.79	88.27
24	Hamburg Coffee	-	2,160	0.69	88.97
25	CCL Products	15	2,100`	0.68	89.64
26	Good Business	-	2,100	0.68	90.23
27	Abu Asma	17	1,950	0.63	90.95
28	Louis Dreyfus	16	1,934	0.62	91.57
29	Others		26,211	8.43	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

6.1 Weather

Central Region

- As expected, January was generally extremely hot and dry. This led to wilting and consequent drying of some of the newly planted seedlings in some areas. The already established coffee trees were also adversely affected, including flower and berry abortion.
- By the end of the month, coffee harvesting had come to an end except in some isolated parts of Greater Mukono Sub-Region where a few berries were still being picked.

Western Region

- Kyenjojo and Rwenzori sub-regions experienced a dry spell with dry winds that dried up some of the coffee plants except for areas close to Mt. Rwenzori National Park. Mityana and Hoima sub-regions experienced dry winds that caused severe stress to the coffee trees.

Northern Region

- In West Nile, month of January remained dry but was marked by 2 rain days with light to heavy showers across the sub region Mortality of some field plantings were seen especially in parts of lower Nebbi, Atyak and some fields in Maracha and Arua.

- **In Mid North, the** weather was characterized by high temperatures and windy atmosphere with negative effects shown on young coffees plants already showing signs of water stress.

Eastern Region

- The Region generally remained dry for most of the month though very light showers were realized in some sub counties in Kamuli District. However, most farmers are using this opportunity of dry spell to prune coffee which had a profuse flowering and subsequent flower abortion. The dry spell also escalated the multiplication and spread of the Black Coffee Twig Borer more especially in zones that have not been sprayed.

South Western Region:

- The weather was generally dry across the entire region. One rain shower was experienced in the Greater Bushenyi after which dry conditions continued unabated.

6.2 Generation of Coffee Planting Material

- Technical guidance continued on maintenance of mother bushes on ready stocked up old mother gardens.

- The total number of Coffee Wilt Disease Resistant Nurseries remained at 143, as new allocation await the start of planting season.

6.3 Management of Diseases and Pest Out breaks.

- Spraying against Black Twig Borer started during the month. However in some areas, the dry season delayed the start of the spraying exercise for as the plants were generally stressed.

6.4 Coffee Distribution and Planting

No coffee planting took place during the Month. Compilation and submission of returns dominated field activities

6.5 Technical Extension Services and Quality Improvement.

- There were low volumes of production as expected; the main & minor crop seasons had come to an end.
- Registration of the following has been accomplished:
  - 7 Exporters,
  - 33 hulleries /Coffee processing factories,
  - 1 roaster
  - 1 grading factory
- Sensitization of coffee processors, coffee buyers and farmers has been going on in the region. Stores were closed for non-compliance.

6.6 Coffee Production Campaign

- Preparations for airing radio programmes on the different radio stations were completed
- A team of Members of Parliament on Agricultural committee accompanied by UCDA officers toured parts of Eastern, Mid North and Western Regions and will be continuing to South Western and Central Regions to continue monitoring coffee programs in these areas . Key findings were;
  - Inadequate extension services to farmers
  - Extreme dry weather affecting planted coffee survival
  - High demand for coffee seedlings

7.0 OUTLOOK FOR FEBRUARY 2014

January exports are projected at 250,000 bags as harvesting in Central and Eastern regions is at its tail end. The dry season in most parts of the country continue to facilitate drying of the harvested coffee.

8.0 UPCOMING EVENTS

19th January -20th to 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

23rd-27th February 2015 Coffee on the road. Mbarara and Ntungamo

In a bid to promote coffee consumption, UCDA will carry out a coffee on the road campaign where people will be served free coffee as they are sensitize them about the benefits of drinking coffee.

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

13TH-15TH March 2015: Melbourne International Coffee expo

The event will be the largest and most dynamic coffee event in Australia. Latest coffee products and coffee equipment will be showcased www.internationalcoffeeexpo.com