UCDA MONTHLY REPORT FOR FEBRUARY 2015

Highlights:

- *This is the fifth monthly report for the coffee year 2014/15. 290,475 60-kilo bags of coffee worth US $36.90 million were exported in February 2015 at an average weighted price of US $ 2.12 /kilo, 18.28% lower in volume and 3.86% higher in value compared to the same month last year.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 2,100/= per kilo; FAQ Shs.4,000 per kilo and Arabica parchment Shs.5,750 per kilo.*
- *Coffee exports for 12 months (March 2014 to February 2015) totalled 3.30m bags worth $412 million comprising of Robusta 2.57 million bags and Arabica 0.73 million bags.*
- *A cumulative total of 36.614 million seedlings have been planted since October 2014 benefitting 214,775 Households.*
- *Over 74% of the total export volume was exported by 10 exporters, out of 34 exporters who performed in the month.*
- *The ICO monthly average composite indicator price was US 141.10 cents/lb down from US cents 148.24 in January.*

Coffee exports in February amounted to 290,475-kilo bags worth US $ 36.90 million. This comprised 229,250 bags ($ 25.63 million) of Robusta and Arabica, 61,225 bags ($ 11.28 million)- *see Table 1.*

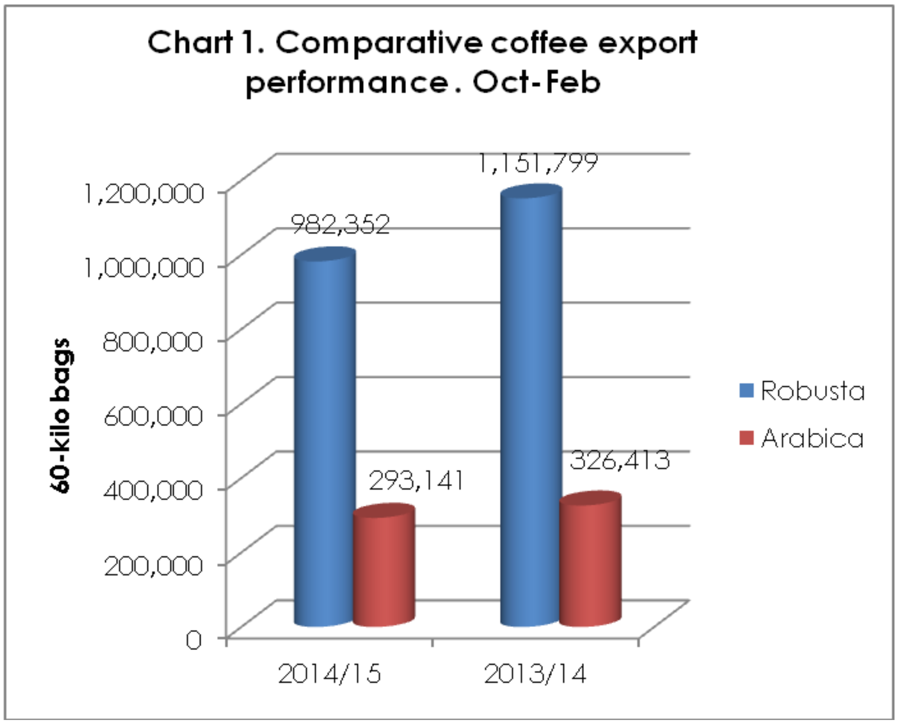
Table1: Comparative Coffee Export Performance – 60-kilo bags; US$

Coffee Year	2014/15		2013/14		%-age Change	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**1,275,493**	**166,544,027**	**1,478,212**	**148,984,982**	**-13.71**	**11.79**
Total Robusta	**982,352**	**110,846,564**	**1,151,799**	**111,589,191**	-14.71	-0.67
Total Arabica	**293,141**	**55,697,463**	**326,413**	**37,395,791**	-10.19	48.94
February	**290,475**	**36,903,356**	**355,449**	**35,511,412**	**-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**	**319,092**	**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 19.62% and 6.10% in volume and value respectively compared to the same period last year 2013/14, while Arabica exports decreased by 12.82% in volume and increased by 36.84 % in value compared to last year.

On a year-on-year basis, coffee exports for the period (March 2014-February 2015) totalled 3.30 million bags worth $412 million compared to 3.73 million bags worth US$414 million in the same period last year (March 2013 –February 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 February 2015. Robusta exports accounted for 79% of total exports. The average Robusta price was US$ 1.86 per kilo, 2 cents higher than in January 2015. Washed Robusta fetched the highest price for Robusta at US$ 2.17 per kilo, followed by Organic Robusta at US$ 2.09 per kilo, a premium of 19 and 17 cents respectively over Screen18. Arabica fetched a weighted average price of US$ 3.07 per kilo, US cents 12 lower than the previous month. The highest price was for Mt Elgon A+ which was at US$ 4.63 per kilo followed by sustainable fully Washed Sipi Falls at US$ 4.03 per kilo. The premiums were 121 and 61 cents above Bugisu AA. The weighted average export price was US $ 2.12.

Table 2: Coffee Exports by Type, Grade & Unit Price in February 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	**290,475**		**36,903,356**		**2.12**
ROBUSTA	**229,250**	**100.00**	**25,626,014**	**100.00**	**1.86**
-SUSTAINABLES					
- ORGANIC ROBUSTA	720	0.31	90,477	0.35	2.09
WASHED ROBUSTA	2,710	1.18	352,046	1.37	2.17
SCREEN 18	24,943	10.88	2,969,380	11.59	1.98
SCREEN 17	12,810	5.59	1,527,491	5.96	1.99
SCREEN 15	115,410	50.34	13,371,097	52.18	1.93
SCREEN 12	52,434	22.87	5,646,700	22.04	1.79
BHP 1199	12,555	5.48	998,419	3.90	1.33
OTHER ROBUSTA	7,668	3.34	670,404	2.62	1.46
ARABICA	**61,225**	**100.00**	**11,277,342**	**100.00**	**3.07**
-SUSTAINABLES					
-ORGANIC BUGISU	1,720	2.81	375,399	3.33	3.64
-ORGANIC OKORO	2,160	3.53	462,860	4.10	3.57
-FULLY WASHED SIPI FALLS	1,320	2.16	342,066	3.03	4.03
-OKORO AB	1,280	2.09	267,786	2.37	3.49
-MT ELGON A+	300	0.49	83,334	0.74	4.63
- MT ELGON A	3,150	5.14	638,893	5.67	3.38
BUGISUAA	8,100	13.23	1,661,619	14.73	3.42
BUGISU A	1,320	2.16	246,033	2.18	3.11
BUGISU AB	7,800	12.74	1,547,042	13.72	3.31
BUGISU CPB	320	0.52	66,879	0.59	3.48
BUGISU PB	120	0.20	23,016	0.20	3.20
MIXED ARABICA	640	1.05	101,588	0.90	2.65
WUGAR	5,436	8.88	1,004,377	8.91	3.08
DRUGAR	23,979	39.17	4,067,400	36.07	2.83
OTHERS	3,580	5.85	389,050	3.45	1.81

*

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of February 2015 in terms of quantity and market share. Ugacof (U) Ltd held the highest market share of 13.28% compared to 19.20% for the previous month. It was followed by Kawacom (U) Ltd- 11.17% (11.41%); Ibero (U) Ltd 9.34% (6.92%); Kyagalanyi Coffee Ltd- 8.77% (10.67%) and Ieal Commodities (U) Ltd 8.49% (7.02%). The first 10 exporters held a market share of 74.76% lower than 80.24% in the previous month, reflecting reduced concentration at this level. *The figures in brackets represent percentage market share held in January 2015.*

Table 3: Export Performance by Individual Companies in February 2015

	Exporting Company	position held in January	Quantity Bags	%- age Market Share Individual	%- age Market Share Cumulative
	Grand Total		**290,475**	**100.00**	
1	Ugacof (U) Ltd	1	38,586	13.28	13.28
2	Kawacom (U) Ltd	2	32,453	11.17	24.46
3	Ibero (U) Ltd	5	27,137	9.34	33.80
4	Kyagalanyi Coffee Factory	3	25,470	8.77	42.57
5	Ideal Commodities	4	24,650	8.49	51.05
6	Olam (U) Ltd	8	24,244	8.35	59.40
7	Commodity Solutions	13	11,568	3.98	63.38
8	Besmark Coffee Co. Ltd	7	11,334	3.90	67.28
9	Savannah Commodities Co. Ltd	10	10,912	3.76	71.04
10	Ishaka Quality Commodities Ltd	11	10,804	3.72	74.76
11	Kampala Domestic Store Ltd	6	10,132	3.49	78.25
12	Export Trading Co. Ltd	9	8,684	2.99	81.24
13	Great Lakes Coffee Ltd	12	8,278	2.85	84.09
14	Nakana Coffee Factroy	25	7,672	2.64	86.73
15	Job Coffee Ltd	14	5,686	1.96	88.69
16	Kaweri Coffee Plantation	22	4,075	1.40	90.09
17	Coffee world	-	3,058	1.05	91.14
18	Ankole Coffee Producers	15	2,880	0.99	92.13
19	LD Commodities (U) Ltd	21	2,842	0.98	93.11
20	Wabulungu Multi purpose	20	2,632	0.91	94.02
21	Bakhsons Trading Co. Ltd	29	2,450	0.84	94.86
22	Gumutindo coffee coop Ltd	24	2,420	0.83	95.69
23	Banyankole Kweterana Coop	25	2,028	0.70	96.39
24	Ankole Coffee Processors	16	1,954	0.67	97.06
25	Fairlop Global Commodities	17	1,708	0.59	97.06
26	Mbale Importers & Exporters	30	1,678	0.58	97.65 98.23
27	Risala (U) Ltd	19	1,250	0.43	98.66
28	Bakwanye	-	700	0.24	98.90
29	Sena Indo (U) Ltd	27	700	0.24	99.14
30	Karaz Coffee Factory	-	660	0.23	99.37
31	Kamba Petroleum Co. Ltd	23	654	0.23	99.60
32	NUCAFE LTD	-	640	0.22	99.82
33	Kibinge Farmers Coop	28	320	0.11	99.93
34	Bukonzo Joint CO.	-	216	0.07	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. 3,800 – 4,200/= for FAQ; Arabica parchment was sold between shs.5,500/=-6,000/= per kilo. Drugar from Kasese was in the range of 4,500/=-5,000/= per Kilo.

4.0 GLOBAL SITUATION

Total global exports in January 2015 were 8.8 million bags, with exports for the first four months of coffee year 2014/15 (October to January) totalling 34.4 million bags which is 0.1% lower than same period last year . Shipments from Brazil, Vietnam and Colombia continue to be strong.

The global total production estimate for coffee year 2014/15 is 142 million bags, a decrease of 4.6 million bags from 2013/14. Consumption is estimated at 149 million bags in calendar year 2014, an increase of 1.8% from the previous year.

The ICO monthly average composite indicator price decreased to US cents/lb 141.10 down from US cents 148.24 in January which 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 February. Exports to EU countries totalled 208,051 bags accounting for 71.62% of total exports compared to 215,319 bags (69.27%) exported in January 2015. It was followed by Sudan with 36,250 bags (12.48%) compared to 60,020 bags (19.31%) and USA with 9,645 bags (3.32%) compared to 8,520 (2.74%) exported in January 2015.

Table 4: Main Destinations of Uganda Coffee in February 2015

	Destination	Position held In January	QTY	%- Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**290,475**	**100.00**	
1	EU[1]	1	208,051	71.62	71.62
2	Sudan	2	36,250	12.48	84.10
3	USA	3	9,645	3.32	87.42
4	Switzerland	8	7,812	2.69	90.11
5	Singapore	4	4,868	1.68	91.79
6	Korea	10	4,676	1.61	93.40
7	Isreal	-	3,520	1.21	94.61
8	Japan	5	2,770	0.95	95.56
9	China	13	2,604	0.90	96.46
10	India	9	2,595	0.89	97.35
11	South Africa	6	1,900	0.65	98.01
12	Russia	11	1,304	0.45	98.46
13	Mexico	-	1,280	0.44	98.90
14	Australia	12	960	0.33	99.33
15	Morroco	7	960	0.33	99.56
16	Canada	-	640	0.22	99.78
17	Ukraine	15	640	0.22	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in February 2015. The top 10 *buyers held a market share of 72.86% of the total exports lower than 68.90% in January 2015. Sucafina – 13.29% (19.07%), Olam International – 11.85% (8.73%), Bernhard Rothfos –9.56% (6.92%), Ecom Agro industrial 8.70% (8.81%), Altasheel 6.27% (7.66%), Socadec 5.28% (2.33%), Aldwami Co 5.18% (5.97%) Strauss commodities 5.12% (2.68%), Luigi Lavazza 4.24% (2.14%), and icona Cafe 3.37% (2.46%). Note: The figures in brackets represent percentage performance in the previous month – January 2015.*

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

	BUYERS	Position held in January	QTY	%-Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**290,475**	**100.00**	
1	Sucafina	1	38,614	13.29	13.29
2	Olam International	3	34,410	11.85	25.14
3	Bernhard Rothfos	5	27,777	9.56	34.70
4	Ecom Agro Industrial	2	25,273	8.70	43.40
5	Altasheel	4	18,200	6.27	49.67
6	Socadec	10	15,342	5.28	54.95
7	Aldwami Co	6	15,050	5.18	60.13
8	Strauss Commodities	8	14,873	5.12	65.25
9	Luigi Lavazza	13	12,306	4.24	69.49
10	Icona Café	9	9,800	3.37	72.86
11	Coex coffee international	8	5,953	2.05	74.91
12	Gollucke	23	4,900	1.69	76.60
13	Hamburg Coffee	24	4,790	1.65	78.25
14	Guzman Global	16	4,408	1.52	79.76
15	Volcafe	20	4,180	1.44	81.20
16	Abaco International	12	3,850	1.33	82.53
17	Bercher Cofftea Trading	11	3,668	1.26	83.79
18	Koninklij	19	3,520	1.21	85.00
19	Tropicore	22	3,435	1.18	86.19
20	Westhoff	15	3,223	1.11	87.30
21	Supremo	-	3,020	1.04	88.34
22.	Elmathahib	17	2,800	0.96	89.30
23	Intergrano	-	2,684	0.92	90.22
24	Falcon Commodities	14	2,560	0.88	91.10
25	Cofftea	7	2,450`	0.84	91.95
26	China Tea	-	2,100	0.68	92.63
29	Others		21,409	7.37	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

6.1 Weather

Central Region

- The Month of February was much hotter and drier than January and the harshness was manifested in the scorched coffee plants especially those newly planted.
- Farmers are advised to prepare for planting in the first week of April as rains are predicted to start in the last week of March.

Western Region

- February has been characterized by a dry spell accompanied by dry winds that has continued to cause stress on the old trees and high mortality of newly planted coffee except for areas close to Mt. Rwenzori National Park.

Northern Region

- In West Nile Sub region, the month remained dry but was marked by 4 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.
- Mid North - The weather was characterized by moderately low temperatures and traces of rainfall with positive effects on surviving young coffee plants already showing signs of recovery from water stress.

Eastern Region

- The Districts in the Busoga region remained dry which escalated the multiplication and spread of the Black Coffee Twig Borer more especially in zones that have not been sprayed. This water stress which is affecting the recently planted coffee has also caused flower abortions.
- In Sebei sub-region, the ongoing dry and windy conditions are predominant across the sub region. Cases of young coffee wilting due to water stress are seen in isolated farms in Kaptanya, Kaserem, Kawowo and Kapsinda sub counties.

- In Bugisu sub-region, all districts received heavy rainfall characterized by thunderstorm and hailstorm that damaged bananas and coffee in Bukhufu sub-county, Manafwa district and Bukiende sub-county in Mbale district during the third week of February. Flowering has been taking place at lower altitudes of Mt. Elgon, and there has been development of pinheads in coffee where flower abortion did not take place.

South Western Region:

- The weather was generally dry for the first half of the month and rain showers commenced mid-month and were relatively stable by the end of the month. This has reduced stress on the recently planted coffee. Farmers should prepare for planting as the rainy season is expected to start in the last week of March.

6.2 Generation of Coffee Planting Material

- Field maintenance was the major activity on the existing CWDr Mother Gardens and performance was encouraging.
- Technical guidance continued on maintenance of mother bushes on ready stocked up old mother gardens. However, in some instances, the pace at which Nursery Operators were harvesting the cuttings for potting was not encouraging as manifested in several Mother Gardens progressing into the Reproductive phase by flowering. The Nursery Operators were advised to cut back the suckers.
- 3.6 MT of seed was distributed to nursery operators.

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 as the plants were generally stressed.
- In some areas, black-ants and tailor ants were seen in most coffee plantations.
- Sensitization on best agronomic practices including shade and coffee trees pruning as routine practice continued.

6.4 Coffee Distribution and Planting

- No coffee planting took place during the Month. Compilation and submission of returns dominated field activities.
- During the month, a meeting with Operation Wealth Creation (OWC) Commanders was held at the Bushenyi Regional Office (19/02/2015) with the main objective of knowing each other and laying strategies of how UCDA and OWC shall collaborate in seedlings distribution and strengthening quality control activities.
- Similar Meetings will be carried out across other Regions Rukoki Sub County - this sub county stretches from the low land of Kasese town (from tarmac road) to Mt. Rwenzori national park. The upper side of the sub county that is close to the national park receives rains throughout the year. 10 sq miles of land were recently officially curved from the national park and distributed to the farmers in Mulegha village Buhaura Parish and all have been earmarked for coffee by the residents.

6.5 Technical Extension Services and Quality Improvement.

- The coffee harvesting season has tailed off in most parts of the robusta region. 99% of the coffee has been harvested from the trees. It's anticipated that by first week of March, the season will have ended.
- Sensitization of coffee processors, coffee buyers and farmers has been going.
- In Kasese, the quality of Drugar and FAQ had greatly improved. Hygiene and physical conditions of processing facilities and stores had improved due to regular inspections, the crack downs and task forces. The quality of coffee received at most coffee stores and factories averaged at Moisture content of between 13- 14% and outturn 88%. This is an indication that the quality has improved and therefore requiring regular inspections and crack downs for continual improvement.

6.6. Coffee Production Campaign Activities.

- Airing of Coffee Value chain programmes and activities are on – going in the different regions in the country.
- A team of Members of Parliament on the Coffee Platform accompanied by UCDA officers toured parts of South-Western and Central Regions to monitor coffee programs in these areas. Key findings and messages were;
  - Inadequate extension services to farmers
  - Extreme dry weather affecting planted coffee survival

- High demand for coffee seedlings
- There is need to identify and create farmer led committees at Village level e.g. 5 farmers per village and each to recruit and mentor five more farmers. Also creation of a Coffee Task Force at village level was proposed;
- The Youth engaging in coffee nursery activities and coffee growing were highly appreciated.

- Collaboration with Ker-kwaro Acholi Chiefdom

  - Ker-Kwaro Acholi is the traditional institution of the Acholi people which expressed interest in working with UCDA in promoting coffee as a cash crop in the region particularly through the elaborate structure of the 54 chieftainships in Acholi. Collaboration has started with a plan to establish at least an acre of coffee field at Ten (10) selected Chiefdoms for purposes of demonstration. The programme is being led by the socio economic advisor at the KER KWARO ACHOLI (KKA) Dr. Tolit Charles.

The coffee origin tour

Uganda hosted the first Coffee Origin tour attracting 11 coffee buyers from USA. They cupped coffee at UCDA laboratory, Coffee Exporters (Kyagalanyi, Great Lakes, Kawacom, Gumutindo, Bugisu Cooperative Union & Ugacof) , Centre for Robusta Excellence (Iganga). Some of the buyers are currently buying coffee from Bulago Coffee Farmers Group in Bulambuli District and Gumutindo. They greatly appreciated Uganda Coffees and promised to place more orders.

African Fine Coffees Conference and Exhibition

UCD A partnering with Centre for promotion of Imports from Developing Nations, Netherlands (CBI) participated in the 12th African Fine Coffees exhibition in Nairobi, Kenya. The exhibition attracted coffee buyers, exporters, traders, farmers and researchers. UCDA operated a coffee bazaar serving Uganda's specialty and fine coffees. In addition to that, cuppings were held with prospective buyers who showed interest in Natural Robusta (Ibanda, Kabarole and Bushenyi) and Arabica (Natural Kasese). The buyers contacts of the sellers for further negotiations. Mr. Mark Okuta, Uganda’s Barista Champion emerged second in the Africa Barista Championships that were held at the same event.

Training of trainers programme

On 24-25 February 2015, UCDA trained a group of 20 farmer trainers (TOTs) from NUCAFE in coffee agribusiness in Brovad Hotel, Masaka using the Coffee Agribusiness Development Manual. The major aim was to have a pool of professionals in coffee agribusiness who will enhance the productivity and production of small scale farmers as they take coffee farming as a business. The manual comprises 5 modules: Coffee Farming as a Business; Access to agro inputs/output markets; Agribusiness procedures-what does it take to trade?; Coffee Value chain & its dynamics; and lastly but not least, Governance of farmer organizations. After the training, participants evaluated the training course on how they understood the modules, how they would be able to train other farmers and their views on the relevance and usefulness of the manual. The manual was evaluated as very relevant and useful and urged UCDA to hold more training sessions on coffee agribusiness in other regions

7 OUTLOOK FOR MARCH 2014

March exports are projected at 260,000 bags Harvesting in Central and Eastern regions has ended. The prevailing low international prices have led exporters to hold on their coffee stocks especially Arabica coffee as they await forcoffee prices to improve.

8 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*

13th -14th March 2015:Coffee Brewers and Roasters training

UCDA will carry training of Coffee Brewers and Roasters . The training will take place at UCDA laboratory, Lugogo.

6th – 8th March 2015: Coffee on the Road
UCDA will carry out a coffee on the road that will take in Masaka , Kwewayo Coffee shop. *where people will be served free coffee as they are sensitize them about the benefits of drinking coffee*.

23rd -27th March. Basic Quality Control training

In a bid to improve on the quality of coffee in the field, UCDA Elementary Basic Quality Control for farmers and primary processors in the districts of Kayunga, Buikwe and Mukono.

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

9th – 12th April 201: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.
www.scaa.org