UCDA MONTHLY REPORT FOR JUNE 2014

***Highlights:** -*

- *This is the ninth monthly report for the coffee year 2013/14. 264,611-kilo bags of coffee worth US $32.82 million were exported in June 2014 at an average weighted price of US $ 2.07 /kilo.*
- *Cumulative coffee exports for October 2013-June 2014 totalled 2,713,510 bags compared to 2,644,370 bags that were exported in the same period last year representing a 2.61% increase in volume.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 1,600/= per kilo; FAQ - Shs.3,900 per kilo and Arabica parchment - Shs.6,050 per kilo.*
- *Coffee exports for 12 months (July 2013 to June 2014) totalled 3.65 m bags worth $404 million comprising of Robusta 2.83 million bags and Arabica 0.83 million bags. This was an increase of 8.6% in volume and a 4.3% decrease in value compared to the same period last year (July 2012 to June 2013). Robusta export represented about 5% of total global trade of Robusta.*
- *A total of 49,950 seedlings were planted during the month bringing a cumulative total seedlings planted since October to 26,588,818 seedlings .*
- *74 % of the total export volume was exported by 10 exporters, out of 31 exporters that performed in the month.*
- *The ICO monthly average composite indicator price was US cents/lb 151.92 down from US cents 163.94 in May 2014.*

Coffee exports in June 2014 amounted to 264,611-kilo bags worth US $ 32.82 million. This comprised 201,114 bags ($ 22.43 million) of Robusta and 63,497 bags ($ 10.39 million) of Arabica,- *see Table 1.*

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

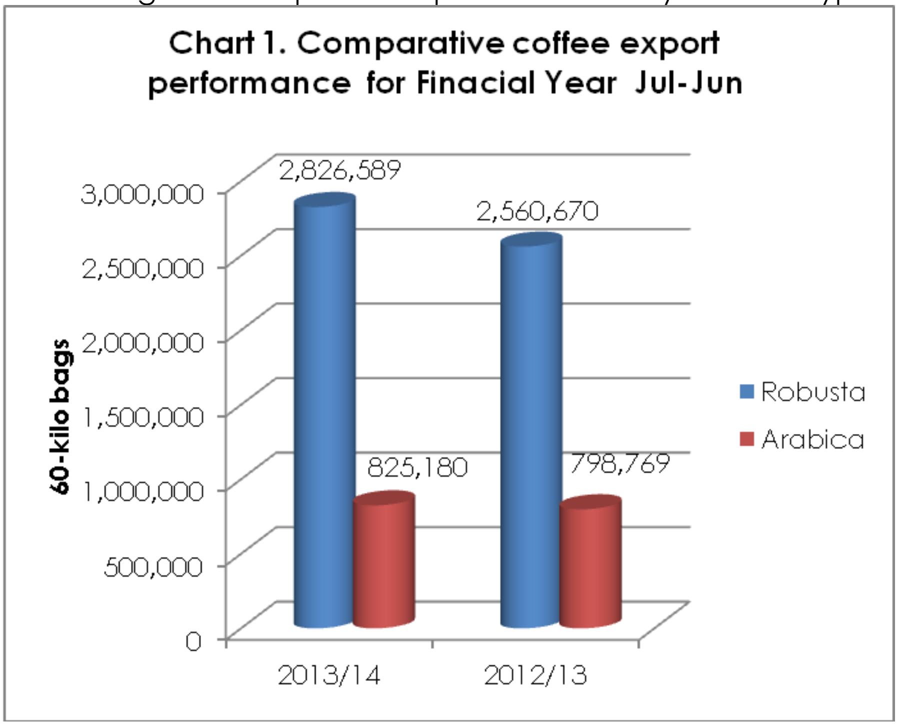
Coffee Year	**2013/14**		**2012/13**		**%-age Change**	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**2,713,510**	**297,567,286**	**2,644,370**	**326,639,760**	**2.61**	**-8.90**
• Robusta	2,062,989	209,987,927	2,017,878	233,490,784	**2.22**	**-10.07**
• Arabica	650,521	87,579,359	626,492	93,148,976	**3.84**	**-5.98**
June	**264,611**	**32,823,086**	**361,521**	**42,881,567**	**-26.81**	**-23.46**
• Robusta	201,114	22,434,984	284,425	32,197,294	**-29.29**	**-30.32**
• Arabica	63,497	10,388,102	77,096	10,614,273	**-17.64**	**-2.13**
May	**286,668**	**35,910,195**	**392,385**	**48,099,268**	**-26.94**	**-25.34**
• Robusta	210,489	23,478,107	287,932	33,282,174	**-26.90**	**-29.46**
• Arabica	76,179	12,432,088	104,453	14,817,094	**-27.07**	**-16.10**
April	**336,676**	**41,071,820**	**247,429**	**30,326,868**	**36.07**	**34.65**
• Robusta	232,019	24,807,123	190,212	21,894,211	**21.98**	**13.30**
• Arabica	104,657	16,264,697	57,217	8,607,687	**82.91**	**88.96**
March	**347,703**	**38,777,204**	**309,190**	**37,804,890**	**12.46**	**2.57**

• Robusta	268,178	27,678,522	239,090	27,274,443	**12.17**	**1.48**
• Arabica	79,525	11,098,681	70,100	10,530,447	**13.45**	**5.40**
February	**355,089**	**35,470,935**	**343,130**	**42,106,104**	**3.41**	**-15.61**
• Robusta	284,991	27,291,303	270,891	31,046,761	**5.11**	**-12.10**
• Arabica	70,098	8,241,371	72,239	11,059,343	**-2.96**	**-25.48**
January	**391,092**	**38,846,691**	**345,114**	**42,564,818**	**13.32**	**-8.74**
• Robusta	322,307	30,861,741	263,010	30,069,401	**22.55**	**2.64**
• Arabica	68,785	7,984,950	82,104	12,495,417	**-16.22**	**-36.10**
December	**257,386**	**25,217,747**	**243,181**	**30,464,232**	**5.84**	**-17.22**
• Robusta	201,307	19,004,110	180,217	20,903,513	11.7	-9.09
• Arabica	56,079	6,213,637	62,964	9,560,719	-10.93	-35.01
November	**263,733**	**26,649,752**	**224,396**	**28,966,727**	**17.53**	**-8.00**
• Robusta	184,679	17,779,683	165,052	19,882,439	11.89	-10.58
• Arabica	79,054	8,870,068	59,344	9,084,288	33.21	-2.36
October	**210,552**	**22,738,119**	**178,024**	**23,495,286**	**18.27**	**-3.22**
• Robusta	157,905	16,652,354	137,049	17,098,647	15.22	-2.61
• Arabica	52,647	6,085,765	40,975	6,396,639	28.49	-4.86

Robusta decreased by 29.29% and 30.32% in volume and value respectively while Arabica decreased by 17.64% and 2.13% in volume and value respectively compared to the same period last year 2012/13.

On a year to year basis, coffee exports for the period (July 2013 –June 2014) totalled 3.65 million bags worth US $404 million compared to 3.36 million bags worth US$422 million in the same period last year (July 2012 -June 2013). This was an increase of 8.6% in volume and a 0.43% decrease in value.

Chart 1 gives comparative performance by coffee type in the 2 Financial 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 June 2014**.** The weighted average Robusta price which accounted for 76% of total exports was US$ 1.86 per kilo, same as what was realised in May 2014. Organic Robusta had the highest price for Robusta at US$ 2.34 per kilo, followed by Screen 18 and washed Robusta at US$ 2.03 per kilo. Arabica fetched a weighted average price of US$ 2.73 per kilo, US cents 1 higher than the previous month. The highest price was for Bugisu A+ which was at US$ 3.75 per kilo, a premium of 93 cents above Bugisu AA. It was followed by sustainable Mt Elgon A at US$ 3.53 per kilo.

Table 2: Coffee Exports by Type, Grade & Unit Price in June 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	**264,611**		**32,823,086**		**2.07**
ROBUSTA	**201,114**	**100.00**	**22,434,984**	**100.00**	**1.86**
WASHED ROBUSTA	2,240	1.11	273,441	1.22	2.03
ORGANIC ROBUSTA	330	0.16	46,270	0.21	2.34
SCREEN 18(UTZ CERTIFIED)	320	0.16	35,310	0.16	1.84
SCREEN 15 (UTZ CERTIFIED)	1,440	0.72	144,210	0.64	1.67
SCREEN 12 (UTZ CERTIFIED)	720	0.36	69,505	0.31	1.61
SCREEN 18	23,760	11.81	2,889,587	12.88	2.03
SCREEN 17	3,410	1.70	407,569	1.82	1.99
SCREEN 15	105,442	52.43	12,214,007	54.44	1.93
SCREEN 12	39,202	19.49	4,239,573	18.90	1.80
BHP 1199	17,221	8.56	1,469,536	6.55	1.42
OTHER ROBUSTAS	7,029	3.50	645,976	2.88	1.53
ARABICA	**63,497**	**100.00**	**10,388,102**	**100**	**2.73**
-SUSTAINABLES					
-MT ELGON A+	11,100	17.48	2,186,522	21.05	3.28
-MT ELGON A	170	0.27	35,979	0.35	3.53
-ORGANIC OKORO	1,080	1.70	151,430	1.46	2.34
-ORGANIC DRUGAR	1,050	1.65	123,612	1.19	1.96
BUGISU A+	720	1.13	161,906	1.56	3.75
BUGISUAA	3,796	5.98	641,340	6.17	2.82
BUGISU AB	360	0.57	39,381	0.38	1.82
BUGISU A	700	1.10	126,800	1.22	3.02
BUGISU PB	84	0.13	13,889	0.13	2.76
BUGISU C/PB	964	1.52	191,271	1.84	3.31
MIXED ARABICA	320	0.50	52,910	0.51	2.76
WUGAR	4,670	7.35	652,657	6.28	2.33
DRUGAR	31,927	50.28	5,403,541	52.02	2.82
OTHERARABICAS	6,556	10.56	606,863	5.84	1.54

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of June 2014 in terms of quantity and market share. Ugacof (U) Ltd held the highest market share of 17.82% (18.16%), followed by Kyagalanyi coffee Ltd- 12.17% (15.76%); Olam (U) Ltd 8.21% (7.79%); Ibero (U)

Ltd 7.71% (4.35%) and Export Trading Co Ltd 7.04% (6.93%). The top 10 exporters held a market share of 73.64% lower than 77.66% in the previous month. *The figures in brackets above represent percentage market share held in May 2014*

Table 3: Export Performance by Individual Companies in June 2014

	Exporting Company	Position held In May	Quantity Bags	%- age Market Share Individual	Cumulative
	Grand Total		**264,611**	**100.00**	
1	Ugacof (U) Ltd	1	47,154	17.82	17.82
2	Kyagalanyi Coffee Ltd	2	32,201	12.17	29.99
3	Olam (U) Ltd	3	21,721	8.21	38.20
4	Ibero (U) Ltd	9	20,401	7.71	45.91
5	Export Trading Co Ltd	4	18,620	7.04	52.94
6	Kampala Domestic Stores	11	13,764	5.20	58.15
7	Kawacom (U) Ltd	5	12,960	4.90	63.04
8	Ideal Commodities (U) Ltd	10	10,334	3.91	66.95
9	Armajaro (U) Ltd	16	9,250	3.50	70.44
10	Commodity Solution (U) Ltd	15	8,456	3.20	73.64
11	Besmark Coffee Company Ltd	8	7,902	2.99	76.63
12	Job Coffee	29	7,766	2.93	79.56
13	LD Commodities	7	7,262	2.74	82.31
14	Lakelands Holding Ltd	-	7,146	2.70	85.01
15	Great Lakes company Ltd	6	6,260	2.37	87.37
16	Kamba Petroleum	13	5,604	2.12	89.49
17	Savannah Commodities	18	4,944	1.87	91.36
18	Ishaka Quality Commodities	17	3,800	1.44	92.79
19	Risala (U) Ltd	12	3,150	1.19	93.99
20	Kaweri Coffee Plantation	20	2,560	0.97	94.95
21	Ankole Coffee Processors	26	2,394	0.90	95.86
22	Wabulungu Multi Purpose	23	2,054	0.78	96.63
23	Nakana Coffee Factory	21	1,990	0.75	97.39q
24	Banyankole Kweterana	24	1,710	0.65	98.03
25	Ankole Coffee Producers	27	1,620	0.61	98.03
26	Gumutindo Coffee Ltd	25	960	0.36	99.01
27	Nile Highland Arabica coffee	28	684	0.26	99.27
28	Coffee World	14	654	0.25	99.51
29	Kibinge Coffee farmers Ltd	31	640	0.24	99.75
30	Mbale Importers & Exporters	19	330	0.12	99.88
31	Bakwanye Trading Co.	-	320	0.12	100.00

3.0 LOCAL SITUATION

During the month, farm gate coffee prices were in the range of: Shs. 1,500 – 1,800/= per kilo of Kiboko (Robusta dry cherries); Shs. 3,800 – 4,000/= for FAQ; Arabica parchment was sold between shs.5,800/=-6,300/=, Drugar from Kasese was in the range of 5,500/=-6,000/= per Kilo.

4.0 GLOBAL SITUATION

The ICO monthly average composite indicator price for June decreased to US cents/lb 151.92 from US cents 163.94 in May, and US cents 170.58 in April 2014.

Although the uncertainty of the Brazilian crop as a result of drought has been the driving force for higher prices in the recent months, there remains sufficient stocks within the supply chain.

The World total production for 2013/14 crop year is estimated at 145.2 million bags with total production in Arabica at 85.3 million bags, down 4% from 2012/13 as Central America coffee production reduced as a result of the coffee leaf rust.

Robusta production on the other hand is expected to increase by5% from 56.9 million bags in 2012/13 to 59.9 million bags, and this is mainly due to the record crop of 27.5 million bags expected in Vietnam.

5.0 COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of June 2014. Exports to EU countries totalled 192,413 bags accounting for 72.72% of total exports compared to 203,643 bags (71.04%) exported in May 2014. It was followed by Sudan with 34,136 bags (12.90%) compared to 32,547 bags (11.35%) and Korea with 9,118 bags (3.45%) compared to 7,770 bags (2.71%) exported in May 2014. *The figures in brackets represent percentage market share held in May 2014.*

Table 4: **Main Destinations of Uganda Coffee in June 2014**

	Destination	Position held In May	QTY 60-Kilo Bags	%- Age Market Share Individual	Cumulative
	GRAND TOTAL		**264,611**	**100.00**	
1	EU[1]	1	192,413	72.72	72.72
2	Sudan	2	34,136	12.90	85.62
3	Korea	5	9,118	3.45	89.06
4	India	3	6,844	2.59	91.65
5	Morocco	4	5,816	2.20	93.85
6	USA	9	4,320	1.63	95.48
7	Switzerland	6	3,256	1.23	96.71
8	South Africa	11	3,154	1.19	97.90
9	China	5	1,790	0.68	98.58
10	Japan	7	1,200	0.45	99.03
11	Russia	10	970	0.37	99.40
12	Ukraine	-	640	0.24	99.64
13	Israel	12	334	0.13	99.77
14	Egypt	-	320	0.12	99.89
15	Taiwan	15	300	0.11	100.00

1 [1]EU countries are: Austria, Belgium, Bulgaria, Croatia, 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.

6.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in June 2014. The top 10 buyers held a market share of 59.88% of the total exports lower than 60.37 % in May, 2014. Sucafina – 17.18% (17.21%), Olam International – 8.72% (87.90), Bernhard Rothfos – 7.83% (4.13%), Altasheel -5.42% (4.58%), Socadec- 4.28% (1.73%),Icona Café 3.91% (4.88%), Ecom Agro Industrial 3.52% (5.69%) Armajaro (U) Ltd- 3.25% (1.83%), Coex Coffee 2.87%, Berthold -2.87%. *Note: The figures in brackets above represent percentage performance in the previous month – May 2014.*

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

	BUYERS		QTY	%-Age Market Share	
		Position held in May	60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**264,611**	**100.00**	
1	Sucafina	1	45,472	17.18	17.18
2	Olam international	2	23,063	8.72	25.90
3	Bernhard Rothfos	8	20,721	7.83	33.73
4	Altasheel	7	14,350	5.42	39.15
5	Socadec	19	11,336	4.28	43.44
6	Icona café	5	10,342	3.91	47.35
7	Ecom Agro Industrial	3	9,320	3.52	50.87
8	Armajaro (U) Ltd	17	8,610	3.25	54.12
9	Coex coffee	-	7,632	2.88	57.01
10	Berthhold	-	7,590	2.87	59.88
11	Louis Dreyfus	-	7,015	2.65	62.53
12	CCL Products	15	6,036	2.28	64.81
13	Aldwami Co	11	5,950	2.25	67.06
14	Gebr West	12	5,937	2.24	69.30
15	Abaco	-	5,886	2..22	71.52
16	Bercher	6	5,524	2.09	73.61
17	Volcafe Ltd	9	4,610	1.74	75.35
18	Luigi Lavazza	-	4,586	1.73	77.09
19	Coffee Services	25	4,464	1.69	78.77
20	Cofftea Trading co.	14	3,900	1.47	80.25
21	Strauss Commodities	4	3,585	1.35	81.60
22.	Gollucke	22	3,500	1.32	82.93
23	Namyang	-	3,500	1.32	84.25
24	Abu Asma	-	2,975	1.12	85.37
25	Supremo	16	2,640	1.00	86.37
27	Commodity supplies		2,300	0.87	87.24
27	Others	-	33,767	12.76	100.00

7.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

7.1 The Weather Situation

Northern

Mid North - The Sub-region experienced erratic rainfall with most of the areas receiving below normal rainfall, but good rains were expected during the month of July and this is expected to propel massive planting of coffee since most famers had prepared the planting holes

West Nile - June marked the tapering off of the 1st rains. There was a mixture of intermittent light and heavy intensity rains more reliable in highlands areas of Zombo District that eventually slowed down towards the last week. This favored some minimum planting of coffee but good coffee berries filling continued to be observed.

Eastern

Districts of Bududa Upper Manafwa and Upper Bulambuli received moderate rainfall during the month while Lower Mbale, Bulambuli and lower Manafwa received scanty rainfall. This favored fruiting and manure/fertilizer application among others. On the general outlook, the coffee was doing well at the fruiting stage and few cases of ripening were observed in lower altitude areas.

At farmer level, there is little coffee. Most of the harvested was at factory and store level. The bean of the fly crop was small with the screen size distribution predominately in the range between screens 12-15.

Central

During the month of June, occasional rain showers of were received in most parts of the Region save for some dotted areas of the cattle corridor. This weather favored the establishment of the newly planted coffee seedlings. Berry formation and filling was also favored by the rains.

Western

In general there has been evenly distributed rainfall that has supported coffee establishment and thus a high survival rate is expected to be achieved and good berry formation.

7.2 Generation of Coffee Planting Material

- The total number of Coffee Wilt Disease Resistant Nurseries remained at 143. At least 80 nurseries are harvesting cuttings.

- Planting was halted end of May for the first season except in Northern Uganda where there was little planting and will resume in September for the second season.
- Technical guidance on maintenance of mother bushes on ready stocked up old mother gardens .
- 3.6 metric tonnes of Arabica and Robusta seed was allocated for nurseries.

7.3 Management of Diseases and Pest Out breaks.

- The Black Coffee Twig Borer continues to be the biggest threat on farmer's coffee fields.
- The intervention of demonstration of chemical spraying is effective and requires continuous mobilization, sensitization and training of Leaders and farming communities to take the Community Approach during the fight against the BCTB.

7.4 Coffee Planting

- Seedlings planted during the months were only 49,950 bringing the total to date since October to 26,588,818 seedlings. This is because the month was relatively dry and not suitable for planting.

7.5 Technical Extension Services and Quality Improvement.

In response to the concerns in the field about harvesting of immature coffee, poor handling of coffee especially drying on bare ground and operating without licenses, the Coffee Quality Enhancement Campaign Task Force implemented an activity in the Central Region during the month of June.

Achievements included:

- Lessened the practice of drying of coffee on bare ground, harvesting of immature coffee and heaping of coffee during storage or drying.
- Apprehended a number of industry players who were considered to be extreme offenders and opened `charges against them.
- Closed sixteen operating without licenses, poor hygiene and drying of FAQ in the Sun and Kiboko on bare ground.
- Registered 15 factories.
- Sensitized over 60 industry players including local leaders at LC1 levels.
-

7.6 Coffee Production Campaign.

- The Process of producing Extension Materials continued.
- Dates for Coffee Shows were set

Validation workshop

A half-day workshop organized by the Ministry of Trade, Industry and Cooperatives (MTIC) and supported by Trade Mark East Africa (TMEA) was held at Imperial Royale Hotel on 6th June 2014. The workshop which was intended to validate a consultancy report on a scoping study hinged on the status of industrialization in Uganda with a particular focus on identification of gaps related to policy, competitiveness and productivity of the industrial sector. The workshop was attended by a number of SMEs, policy makers, UMA, Uganda Small Scale Enterprises Association (USSEA), UIRI, UIA, UCDA and the hosts MTIC, among others. The workshop was opened by the Minster of State for Industry, Dr. John Mutende and closed by the Director Policy, UMA.

At the end of the validation workshop, a number of recommendations were made. These include: building capacity of Uganda National Bureau of Standards in quality analysis; more accessibility of Uganda Industrial Research Institute's facilities by the SMEs to develop their products as incubatees in order to meet the quality requirements demanded by the consumers; value addition with emphasis on establishment of a soluble coffee plant in Nammanve Industrial Park as well as utilization of regional investment parks. It was also emphasized that an SME policy needs to be approved in order to make them more competitive. The need for institutional collaboration and a one-stop-center/desk for SMEs/SMIs (Small and Medium Industries) was proposed in UIA to specifically cater for this category. It was also recommended that in order to increase competitiveness of the SMEs/SMIs, a critical analysis of power tariffs which are relatively high compared to neighboring countries need to be made.

R & Q calibration refresher course

Uganda Coffee Development Authority hosted R & Q calibration and R Assistant instructor refresher course from 19th to 24th June 2014 at the UCDA Lugogo Laboratory. The main purpose of the calibration was to ensure that Q and R graders stay updated with the SCAA and UCDA cupping system and also maintain the capacity to grade Arabica and Robusta coffee for the specialty market. Coffees from different origins were cupped and these included coffees from Indonesia, Guatemala, Colombia, Ethiopia, Mexico, Brazil, India, Tanzania, Congo and Uganda, This will help expand the palate and vocabulary and will give cuppers better perspective when cupping our own coffee. The training was facilitated by Ted Lingle and Andrew Hetzel from Coffee Quality Institute.

Specialty Coffee Association of Europe (SCAE) exhibition in Italy

UCDA participated in the SCAE exhibition and also took part in the World Barista championship. The main objectives of UCDA's participation was to promote Uganda coffee and strengthen the European coffee market. In order to achieve the above-mentioned objectives, UCDA Show cased different exportable green coffee grades and gave out samples to interested buyers for tasting and Served to attendees brewed Robusta and Arabica coffee whose was appreciated. New contacts were also made and will be passed on to exporters for further engagement. Ugandan tourism was promoted by featuring the Gorilla and Sipi falls at the booth.

Three-cupping sessions of Fine Robusta and Specialty Arabica coffees were carried out. The exercise attracted 24 cuppers from roasters and buyers based in the UK, China, Hong Kong, S.Korea, Belgium, Italy, and Holland and the cuppers appreciated the taste of Uganda Robusta coffee for its bittersweet taste the organic Bugisu (Sipi) for its caramel, citrus flavor and medium acidity.

Uganda also competed in the World Barista Championship represented by the National Champion, Mr. Batte Godfrey who merged 36th with 459.9 points from 42nd position and 419 points in 2013 and second in Africa. Most judges commended Uganda's performance and its continued improvement.

8.0 OUTLOOK FOR JULY 2014

July exports are projected at 280,000 bags as harvesting of main crop in Masaka and South Western regions is on going.

9.0 UPCOMING EVENTS

4th -6th September 2014: The coffee experience- Sydney, Australia

This will involve exhibition experience focused on education design competition and meeting with roasters, cafe owners and baristas.
http://thecoffeeexperience.com.au/about/

8th -13th September 2014: The 25th International Conference on Coffee Science- Armenia, Colombia

This event takes place every two years, bringing together specialists from all over the world working in various fields of coffee science and technology. Participants are provided with an opportunity to share and compare their research contributing to an increasing worldwide awareness and knowledge of coffee.
www.asic2014colombia.org