UCDA MONTHLY REPORT FOR AUGUST 2015

Highlights:

- *This is the eleventh monthly report for the coffee year 2014/15. 320,297 60-kilo bags of coffee worth US $32.54 million were exported in August 2015 at an average weighted price of US $ 1.69 /kilo, 19.50% and 0.21% higher in volume and value respectively compared to the same month last year.*
- *Cumulatively, coffee exports for eleven months totalled 3.17 million bags worth $381 million. This was a 3.66% drop in volume but an increase of 3.88% in value.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 2,200/= per kilo; FAQ Shs.4,500 per kilo and Arabica parchment Shs.6,250 per kilo.*
- *Coffee exports for 12 months (September 2014 to August 2015) totalled 3.38m bags worth $408 million comprising Robusta 2.66 million bags and Arabica 0.72 million bags.*
- *A cumulative total of 87.31 million seedlings has been planted since October 2014.*
- *Over 81% of the total export volume was exported by 10 exporters out of 33 exporters who performed in the month.*
- *The ICO monthly average composite indicator price was US 121.21 cents/lb down from US cents 119.77 in July.*

Coffee exports in August amounted to 320,297-kilo bags worth US $ 32.54 million. This comprised 285,667 bags ($ 27.92 million) of Robusta and Arabica, 34,630 bags ($ 4.62 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	**3,171,354**	**381,476,281**	**3,291,906**	**367,221,651**	**-3.66**	**3.88**
Total Robusta	**2,491,056**	**265,878,324**	**2,571,492**	**267,368,096**	**-3.13**	**-0.56**
Total Arabica	**680,298**	**115,597,957**	**720,414**	**99,853,553**	**-5.57**	**15.77**
August	**320,297**	**32,536,657**	**268,033**	**32,469,005**	**19.50**	**0.21**
• Robusta	285,667	27,918,669	234,002	26,528,610	22.08	5.24
• Arabica	34,630	4,617,988	34,031	5,940,395	1.76	-22.26
July	**403,381**	**43,068,138**	**314,304**	**37,862,272**	28.34	13.75
• Robusta	349,486	35,051,955	274,992	31,036,626	27.09	12.94
• Arabica	53,895	8,016,183	39,312	6,825,647	37.10	17.44
June	**335,405**	**35,262,567**	**264,611**	**32,823,086**	26.75	7.43
• Robusta	285,792	28,612,802	201,114	22,434,984	42.10	27.54
• Arabica	49,613	6,649,766	63,497	10,388,102	-21.87	-35.99
May	**262,604**	**30,470,864**	**286,448**	**35,844,953**	-8.32	-14.99
• Robusta	194,035	20,581,329	211,539	23,478,107	-8.27	-12.34
• Arabica	68,569	9,889,535	74,909	12,432,088	-8.46	-20.45
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	**310,773**	**40,787,188**	**347,663**	**38,772,433**	-10.61	5.20
• Robusta	215,368	23,807,609	268,178	27,678,522	-19.69	-13.99
• Arabica	95,405	16,979,579	79,485	11,093,911	20.03	53.05
February	**290,475**	**36,950,798**	**355,449**	**35,532,674**	-18.28	3.99
• Robusta	230,750	25,794,351	285,221	27,291,303	-19.10	-5.49
• Arabica	59,727	11,156,448	70,228	8,241,371	-14.95	35.37
January	**310,149**	**39,691,234**	**391,092**	**38,846,691**	-20.70	2.17
• Robusta	244,366	27,033,929	322,307	30,861,741	-24.18	-12.40
• Arabica	65,783	12,657,306	68,785	7,984,950	-4.36	58.51
December	**224,803**	**29,778,184**	**257,386**	**25,217,747**	-12.66	18.08
• Robusta	176,711	20,587,890	201,687	19,004,110	-12.38	8.33
• Arabica	48,092	9,162,913	55,699	6,213,637	-13.66	47.46
November	**219,948**	**29,494,827**	**263,733**	**26,649,751**	-16.60	10.68
• Robusta	159,447	17,998,556	184,679	17,779,683	-13.66	1.23
• Arabica	60,501	11,496,271	79,054	8,870,068	-23.47	29.61
October	**229,442**	**30,657,591**	**210,552**	**22,738,119**	8.97	34.83
• Robusta	172,502	19,421,213	157,905	16,652,354	9.24	16.63
• Arabica	56,950	11,236,378	52,647	6,085,765	8.17	84.63

Robusta exports increased by 22.08% and 5.24% in volume and value respectively compared to the same period last year (2013/14), while Arabica exports increased by 1.76% volume and decreased by 22.26 % in value compared to last year. Cumulatively, there was a 3.66% drop in volume, and an increase of 3.88% in value.

On a year-on-year basis, coffee exports for the period (September 2014-August 2015) totalled 3.38 million bags worth $408 million compared to 3.52 million bags worth US$ 394 million in the same period last year (September 2013 –August 2014). This was a decrease of 3.98% in volume and a 3.88% increase in value compared to the same period last year.

Chart 1 gives comparative performance by coffee type in the 2 coffee years.

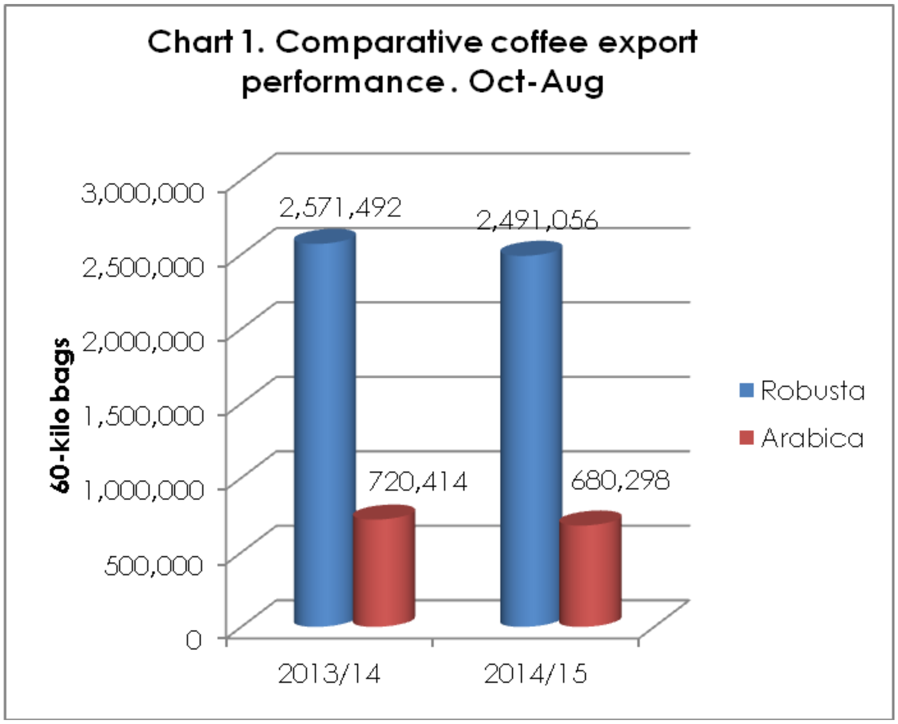
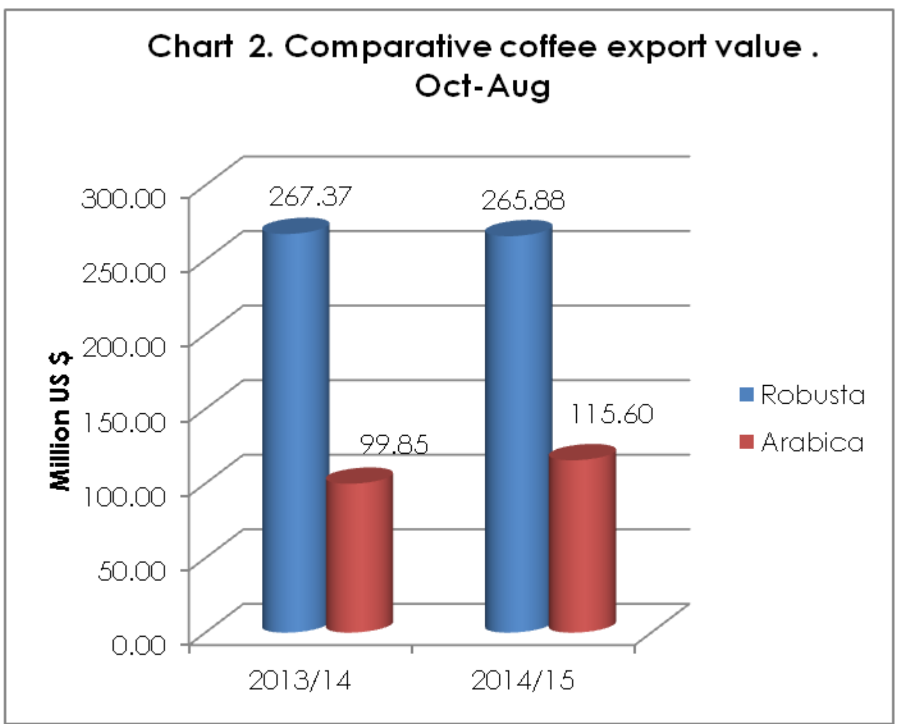


Chart 2 gives comparative performance value by coffee type in the 2 coffee years.



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 August 2015. Robusta exports accounted for 89% of total exports. The average Robusta price was US$ 1.63 per kilo, US cents 4 lower than what was in July 2015. Washed Robusta fetched the highest price for Robusta at US$ 2.08 per kilo, followed by Screen 18 at US$ 1.81 per kilo, Arabica fetched a weighted average price of US$ 2.22 per kilo, US cents 26 higher than the previous month. The highest price was for Okoro AA at US$ 2.65 per kilo, and it was followed by Mt Elgon A at US$ 2.55 per kilo. The weighted average export price was US $ 1.69.

Table 2: Coffee Exports by Type, Grade & Unit Price in August 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	**320 ,297**		**32,536,657**		**1.69**
ROBUSTA	**285,667**	**100.00**	**27,918,669**	**100.00**	**1.63**
-SUSTAINABLES					
- ORGANIC ROBUSTA	1,430	0.50	151,324	0.54	1.76
WASHED ROBUSTA	1,640	0.57	204,552	0.73	2.08
SCREEN 18	28,889	10.11	3,138,513	11.24	1.81
SCEEN 17	15,784	5.53	1,585,579	5.68	1.67
SCREEN 15	137,824	48.25	13,997,817	50.14	1.69
SCREEN 14	1,642	0.57	159,935	0.57	1.62
SCREEN 12	55,592	19.46	5,384,473	19.29	1.61
BHP 1199	28,592	10.01	2,142,516	7.67	1.25
OTHER ROBUSTA	14,274	5.00	1,153,960	4.13	1.35
ARABICA	**34,630**	**100.00**	**4,617,988**	**100.00**	**2.22**
-SUSTAINABLES					
-MT. ELGON A	740	2.14	113,228	2.45	2.55
-OKORO AA	666	1.92	105,715	2.29	2.65
-OKORO CPB	720	2.08	104,763	2.27	2.43
BUGISU AA	3,436	9.92	500,950	10.85	2.43
BUGISU A	560	1.62	82,781	1.79	2.46
BUGISU AB	1,086	3.14	159,144	3.45	2.44
BUGISU PB	144	0.42	18,762	0.41	2.17
BUGISU CPB	600	1.73	71,429	1.55	1.98
WUGAR	3,750	10.83	556,380	12.05	2.47
DRUGAR	22,768	65.75	2,896,369	62.72	2.12
OTHERS	160	0.46	8,466	0.18	0.88

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of August 2015 in terms of quantity and market share. Ugacof (U) Ltd maintained the highest market share at 27.52% compared to 19.14% for the previous month. It was followed by Kyagalanyi (U) Ltd- 13.24% (11.27%); Olam (U) Ltd 10.50% (7.57%); Ibero (U) Ltd- 7.31% (7.43%) and Besmark Coffee Co. Ltd 5.00 (6.64%). The first 10 exporters held a market share of 81.92% higher than 79.05% in the previous month, reflecting increasing concentration. *The figures in brackets represent percentage market share held in July 2015.*

Table 3: Export Performance by Individual Companies in August 2015

	Exporting Company	position held	Quantity Bags	%- age Market Share Individual	Cumulative
	Grand Total	in July	320,297	100.00	
1	Ugacof (U) Ltd	1	88,160	27.52	27.52
2	Kyagalanyi Coffee Ltd	2	42,399	13.24	40.76
3	Olam (U) Ltd	3	33,636	10.50	51.26
4	Ibero (U) Ltd	4	23,416	7.31	58.57
5	Besmark Coffee Co. Ltd	6	16,006	5.00	63.57
6	Export Trading Co. Ltd	10	15,724	4.91	68.48
7	Ideal Commodities (U) Ltd	7	13,755	4.29	72.77
8	Kawacom (U) Ltd	8	11,330	3.54	76.31
9	Kampala Domestic Store Ltd	5	10,269	3.21	79.52
10	Ishaka Quality Commodities	12	7,704	2.41	81.92
11	LD Commodities	9	6,664	2.08	84.00
12	Savannah Commodities (U) Ltd	11	5,773	1.80	85.81
13	Commodity Solutions	20	5,575	1.74	87.55
14	Ankole Coffee Producers	13	4,850	1.51	89.06
15	Coffee World Ltd	15	4,066	1.27	90.33
16	Risala (U) Ltd	16	3,500	1.09	91.42
17	Nakana Coffee Factory Ltd	14	3,354	1.05	92.47
18	Sena Indo Ltd	21	3,020	0.94	93.41
19	Karaz Coffee Factory	27	2,950	0.92	94.33
20	Mbale Importers & Exporters	26	2,940	0.92	95.25
21	Wabulungu Multi Purpose	18	2,644	0.83	96.08
22	Great Lakes Coffee Ltd	23	2,282	0.71	96.79
23	Fairlop Global Commodities	24	1,670	0.52	97.31
24	Kibinge Coffee Farmers Ltd	33	1,600	0.50	97.81
25	Banyankole Kweterana Ltd	22	1,374	0.43	98.24
26	Ankole Coffee Processors	17	1,300	0.41	98.65
27	Kaweri Coffee Plantation	29	1,000	0.31	98.96
28	Pearl Crops Ltd	30	700	0.22	99.18
29	Nucafe Ltd	-	668	0.21	99.39
30	Bulamu Coffee Buyers	-	664	0.21	99.59
31	Bakhita Twase Produce Ltd	25	650	0.20	99.80
32	Armajaro (U) Ltd	-	334	0.10	99.90
33	Gumutindo Coffee Cop Ltd	35	320	0.10	100.00

3.0 LOCAL SITUATION

During the month, farm gate prices were in the range of: Shs. 2,000 – 2,400 per kilo of Kiboko (Robusta dry cherries); Shs. 4,300/=-4,700/= for FAQ; Arabica parchment was sold between shs.6,000/=-6,500/= per kilo and premium parchment was at 7,000/=-7200/=. Drugar from Kasese was in the range of 4,200/=-4,500/= per Kilo.

4.0 GLOBAL SITUATION

Total global exports in July 2015 were 9.6 million bags, with exports for the first ten months of coffee year 2014/15 (October to June) totalling 92.9 million bags, 2.8% down compared to the same period in 2013/14.

The global total production for coffee year 2014/15 is estimated at141.7 million bags, a decrease of 3.5% from 2013/14. Consumption is still estimated at 149.2 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 121.21 up from US cents 119.77, but still the second lowest level since January 2014.

5.0 COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of August. Exports to EU countries totalled 229,106 bags accounting for 71.53% of total exports compared to 273,166 bags (67.72%) exported in July 2015. It was followed by Sudan with 42,000 bags (13.11%) compared to 59,154 bags (14.66%) and India with 13,805 bags (4.31%) compared to 18,425 (4.57%) exported in July 2015.

Table 4: Main Destinations of Uganda Coffee in August 2015

	Destination	Position held In July	QTY	%- Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**320,297**	**100.00**	
1	EU	1	229,106	71.53	71.53
2	Sudan	2	42,000	13.11	84.64
3	India	3	13,805	4.31	88.95
4	Switzerland	5	6,642	2.07	91.03
5	Korea	10	4,500	1.40	92.43
6	Morocco	8	3,972	1.24	93.67
7	Russia	6	3,210	1.00	94.67
8	Israel	11	2,895	0.90	95.58
9	Mexico	-	2,880	0.90	96.48
10	Singapore	12	2,310	0.72	97.20
11	China	13	2,240	0.70	97.90
11	USA	4	1,962	0.61	98.51
12	Canada	14	1,310	0.41	98.92
13	Australia	15	1,287	0.40	99.32
14	South Africa	7	668	0.21	99.53
15	Cape Verd	-	640	0.20	99.73
17	Taiwan	19	600	0.19	99.92
18	Kenya	16	240	0.07	100.00
19	Oman	-	10	0.00	100.00

6.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in August 2015. The top 10 *buyers held a market share of 67.72% of the total exports higher than 64.42% in July 2015. Sucafina – 26.22% (17.55%), Olam International – 8.78% (7.43%), Bernhard Rothfos – 7.31% (7.43%), Altasheel 5.03% (6.77%), Volcafe 4.11% (7.24%), Louis Dreyfus 3.97% (1.75%), Cofftea Trading 3.93% (1.56%) Bercher Consulting 3.03% (2.57%), Ecom Agro Industrial 2.77%(3.64%) and Strauss Commodities 2.58% (2.38%). Note: The figures in brackets represent percentage performance in the previous month – July 2015.*

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

	BUYERS	Position held in July	QTY 60-Kilo Bags	%-Age Market Share Individual	%-Age Market Share Cumulative
	GRAND TOTAL		**320,297**	**100.00**	
1	Sucafina	1	83,984	26.22	26.22
2	Olam international	3	28,112	8.78	35.00
3	Bernhard Rothfos	2	23,416	7.31	42.31
4	Altasheel	5	16,100	5.03	47.33
5	Volcafe	4	13,152	4.11	51.44
6	Louis Dreufus	16	12,708	3.97	55.41
7	Coftea Trading	18	12,584	3.93	59.34
8	Bercher Consulting	11	9,698	3.03	62.37
9	Ecom Agro Industrial	7	8,872	2.77	65.14
10	Strauss Commodities	12	8,270	2.58	67.72
11	ETG Commodities	14	6,500	2.03	69.75
12	Luigi Lavazza	13	6,481	2.02	71.77
13	Abaco international	10	6,300	1.97	73.74
14	Icona Café	`6	6,058	1.89	75.63
15	Tropicore	19	5,493	1.71	77.34
16	Tata Coffee	17	5,225	1.63	78.97
17	Socadec	9	4,980	1.55	80.53
18	Commodity	-	4,676	1.46	81.99
19	Guzman Global	23	4,402	1.37	83.36
20	Namyang	25	3,900	1.22	84.58
21	Abu Asma	20	3,500	1.09	85.67
22.	Coffee Services	22	3,340	1.04	86.72
23	CCL Products	21	3,000	0.94	87.65
24	Vayhan	-	2,880	0.90	88.55
25	Aldwami Company	-	2,450	0.76	90.12
27	Gimoka	-	2,420	0.76	90.87
28	Others		29,236	9.13	100.00

7.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

7.1 The Weather Situation

The Weather Situation

Central Region

- The Month was hotter and drier than was expected. A few scattered showers were received during the first half of the month in isolated areas of the Region. The intermittent rains provided an opportunity for preparation of gardens while awaiting onset of the second rainy season in late September.

Western Region

- Kyenjojo & Ruwenzori sub regions experienced moderate rainfall in most parts. Bundibugyo district and the mountainous sub counties of Kasese and Ntoroko districts received heavy rains.
- Mityana and Hoima sub regions to received moderate rains throughout the month, an indicator to start preparation of gardens for coffee planting.

Northern Region

- West Nile - the month was on average moderately wet marked with less even distribution in the first two weeks and relatively dry in the last two weeks . This was supportive to berry growth and development.
- Mid North – the month of was characterized by intermitted rains in the first two weeks punctuated with moderately high temperatures. The hot and dry weather did not in any case affect the performance of the coffee plants in the field. The plants showed positive performances with coffee berries formation at their final stages of development.

Eastern Region

- In Busoga, the month was cool and cloudy with occasional showers in most parts of the region save for Bugiri and Namutumba, becoming even more regular and dependable in the second and third week of the month. Farmers started planting maize, beans and other short term crops.

- In Mt. Elgon sub-region, there were scattered showers and thunder storms intermittent with sunshine within some districts. Bududa, Sironko and Bulambuli district received heavy rains during the second week of the month. The light sunshine was good for coffee ripening especially in medium attitude areas. However in an isolated case, hailstones devastated crops (coffee, bananas) in the s/counties of Bumwoni, Lwakhakha T/C and Bubutu in Manafwa District. Coffee berries were stripped off, leaves shattered and shade-off and stems broken. An estimation of 4,000 coffee trees were destroyed.

South Western Region

- The weather was characterized by scattered showers and thunder storms intermittent with sunshine throughout the month. However the rains had not stabilized to allow coffee planting.

7.2 Generation of Coffee Planting Material

- Coffee Wilt Disease Resistant seedling Generation;
  - Tissue culture seedlings generation for 500,000 seedlings progressing at FICA Laboratory in Kyenjojo District.
  - Allocation of CWD-R mother gardens to other Nurseries started during the month.
- Elite seedling Nurseries:
-
  - 71 million seedlings are available for Distribution through out the Country during the September – November rains.
  - Allocations to the Districts under the OWC program completed during the month.

7.3 Management of Diseases and Pest Out breaks.

- Surveillance reports indicate a reduced presence of BCTB. The BCTB incidence is reported between 0% and 7% in most parts of the affected regions.
- Spraying against BCTB has been accomplished in most of the selected demo villages in 34 Districts.

7.4 Coffee Planting.

- No major planting done during the month, except in Northern Region where 612,862 seedlings were planted.

- Coffee nurseries to provide coffee seedlings for September- November season are being verified by a team comprising of OWC, DAO's and UCDA staff to ascertain readiness of the coffee seedlings to be supplied. The team will come up with evaluation reports to which will initiate the issuing of order forms.

7.5 Technical Extension Services and Quality Improvement.

- The main Harvesting season for the South – Western came to an end during the month.
- Registration of stores, factories and sensitization of Buyers and traders in preparation for the new harvesting season started during the month.

8.0 COFFEE PROMOTION ACTIVITIES

Coffee Shows

- The theme for 2015 Coffee Shows is "***Feeding your coffee plants for sustainable growth".***
- Coffee shows were held in the following Districts during the month;
  Rubirizi - Tue. 4th Aug
  Kanungu - Thur. 6th Aug
  Masaka - Tue. 11th Aug
  Sembabule - Wed. 12th Aug
  Mpigi - Thur. 13th Aug
  Rakai - Fri. 14th Aug
- Some of the above coffee shows were graced by the Hon. Minister of State for Agriculture, Chairperson of the Sectoral committee on Agriculture in Parliament and Managing Director UCDA.
- Categories of Exhibitors at the coffee shows included;
    - Farm Level Organizations e.g. Youth and Women Groups
    - Coffee Factories
    - Coffee Unions
    - Government Programmes e.g. NAADS, NARO
    - Agricultural Input Dealers
    - Cottage Industries
    - Microfinance Intermediaries
    - Banks
    - Private Nurseries

- Some of the Farmers Concerns at these shows have been;
    - The virulent Black Coffee Twig Borer infestation in the Robusta Coffee plantation
    - The prevailing poor coffee post harvesting methods

- o Inadequate enforcement of coffee laws which leads in declining coffee quality
- o Lack of group dynamics by farmers to form associations that would encourage group marketing thus enhance good coffee quality and consequently profitability of the coffee enterprises
- o Adulteration of Agrochemicals

Collaborative Extension

- Recruitment of Extension workers under the Single Spine Extension system has started and a program to train them on Coffee knowledge was initiated during the month. In Oyam District a total of 20 Officers were trained on field identification, land preparation and Coffee establishment.

- Kasese District coffee farmers Project under the (HRNS &STIFTUNG)

- The farmer's project in Kasese distributed 10 motorized coffee pulpers and 10 rolls of shade nets to 10 farmer groups of Maliba, Isule, Ibanda, Nyakabingo Buhuhira, Katooke, and Kitooma as part of the efforts to improve Coffee Quality. The function was attended by all the district leadership.

Building capacity of industry players through training

1. Training of University students in Basic Quality Control was completed.
    - o Basic quality control students visited Arabica and Robusta coffee growing areas in Eastern and western Uganda respectively to gain knowledge on coffee production.
2. Training of 30 baristas was conducted in Mbarara in the brewing of espresso based drinks
    - o 10 of them were already practicing baristas and 20 were new baristas
    - o 7 cafes were visited, and espresso machines were serviced and repaired.

Continuous Quality Improvement

3. Farmer training was carried out in Iganga (*43*), Kamuli (*55*), Luuka (*34*) and Mayuge (*20*). Farmers were trained on Good Agricultural Practices, and good post-harvest practices.

4. Carried out inspection of 7 roasting factories together with Uganda National Bureau of Standards and Agricultural Police.

- o 2 factories were closed for roasting and packaging husks and 2 others were asked to improve their storage facilities. 3 factories conformed to processing standards.

- **Generic promotion**

5. Promotion of coffee at Milano Expo 2015
    - Uganda pavilion is still attracting many show goers averaging 300 people per day.
    - One Quality Controller was deployed to promote coffee for two months i.e. September and October. The new officer completed the Hazard Analysis Critical control Point (HACCP) and safety at work trainings.

Promote domestic consumption

6. Participated in district campaign shows in Kamengo, Mpigi district
    - Show attendees tasted good coffee and were taught how to process coffee locally. Health benefits of taking coffee were explained.
    - Show attendees who included farmers were sensitized on GAPS and PHPs that achieve good quality coffee. Hon Amelia Kyambade was the guest of honor.

9.0 OUTLOOK FOR SEPTEMBER 2015

September exports are projected at 280,000 bags. Harvesting of the main season in Masaka and Southern Regions has ended.

10. UPCOMING EVENTS

15th – 16th September 2015: Africa Coffee outlook, Nairobi Kenya

There will be an Africa coffee conference 2015 to be held at Safari Park Hotel and Casino Nairobi Kenya. This is a great opportunity to meet producers, roasters, Government agencies and associations, Finance and insurance providers and Machinery producers.*www.africacoffeeoutlook.com*

13th -15th October 2015: Africa Coffee Renaissance Summit and Breeding work shop Nairobi Kenya

The workshop will be held at Safari Park Hotel Nairobi, Kenya. There will be a chance to meet coffee buyers, National Bodies, development organizations and finance institutions to collaborate on a climate smart market driven strategy to raise productivity while enhancing quality.

September 25th -27th 2015: New York Coffee Festival

The festival will feature live experiences from over 70 coffee, food and equipment suppliers. Visitors will enjoy endless free coffee tastings, interactive workshops and demonstrations from world-class baristas.
www.newyorkcoffeefestival.com

October 1st 2015: International Coffee Day

Coffee lovers from all over the globe will come together to celebrate the first official International Coffee Day focusing on the coffee sector's diversity, quality and passion. It is an opportunity for coffee lovers to share their love of the beverage. The ICO encourages private companies, independent businesses, public associations, and coffee lovers in general to host an ICD event or campaign on ICD. *www.ico.org*